21 November 2016

EUROPEAN LITHIUM DECLARES 75% INCREASE IN JORC CODE (2012) COMPLIANT RESOURCE TONNES

Highlights

- **New Resource[1]:**

Type	*Million Tonnes*	*Grade*
Measured	2.86	1.28 % Li_2O
Indicated	3.44	1.08% Li_2O
Total M&I	**6.30**	**1.17% Li_2O**

- **Current exploration drilling program to extend resources to depth and on the southern limb of anticline continuing. Results will assist with an additional upgrade of the resource. Geological model suggests the potential for the southern limb to mirror the resources on the northern limb.**

European Lithium Limited (ASX**: EUR**, FRA: PF8) (the **Company**) is pleased to report that it has upgraded the JORC Code (2012) compliant resource tonnes by 75% and the contained lithium by 33% for its 100% owned advanced Wolfsberg Lithium Project near Wolfsberg, Austria.

Steve Kesler, CEO, commented "Establishing an increased JORC Code (2012) compliant Measured, Indicated and Inferred resource is a key step for the Company. The resource model will allow us to initiate mine design studies to determine the maximum rate of underground mining that can be economically achieved. The surface exploration programme, already announced, is expected to confirm the continuation of the pegmatite veins with depth and the extension into Zone 2 (the southern limb of the anticline) which will be important to establish the longevity of the Wolfsberg Lithium Project".

A full explanation of the resource modelling and declaration is provided below.

Background

The Wolfsberg lithium deposit was discovered and explored by the Austrian state company, Minerex, between 1981 and 1987. The lithium demand and price at that time did not support the development of a mine and the company was closed. Ownership of the project came to the Company following the acquisition of European Lithium AT (Investments) Limited that completed in September 2016. A prospectus was issued for the transaction which included an 'Independent Geologists Report'. This reported the lithium resource at Wolfsberg as 3.7 million tonnes 'Inferred' at 1.5% Li_2O at a cut-off of 0.75% Li_2O.

The Company located and recovered a considerable quantity of Minerex primary data

[1] Resource declared at 0% Li_2O cut off.

from archives in Vienna. However, the original drill core no longer exists and original QA/QC protocols were not found. The Company undertook a successful programme to verify the Minerex data and this was reported to the ASX on 16 November 2016. This primary Minerex data has been used to develop a resource model compliant to JORC Code (2012). The work for this resource modelling has been carried out by Mine-IT Sanak Oberndorfer GmbH, Austria who has been working on resource modelling for the Wolfsberg Lithium Project since 2010. Geological interpretation has been assisted by Professor Richard Göd who was Chief Geologist for Minerex during their exploration and is now Geology adviser to the Company.

Project Data

The exploration works undertaken by Minerex are summarised in Table 1.

Exploration work	Parameters	
Exploration trenches (surface)	number / volume	35 / 9940m^3
Core drilling (surface)	number / length	64 / 12012m
Decline drift from surface	length	417.6m
Decline underground (between veins)	length	119.2m
Drifts following vein (along strike)	length	853.7m
Core drilling (underground)	number / length	37 / 4715m

Table 1: Summary of exploration works based on Minerex reporting

The most recent surveying data of the Austrian Surveying Service (BEV) was used to represent the surface topography (Figure 1) to cover the full area related to the legal rights of the owner ECM Lithium AT GmbH (**ECM**) that is a 100% owned subsidiary of the Company.

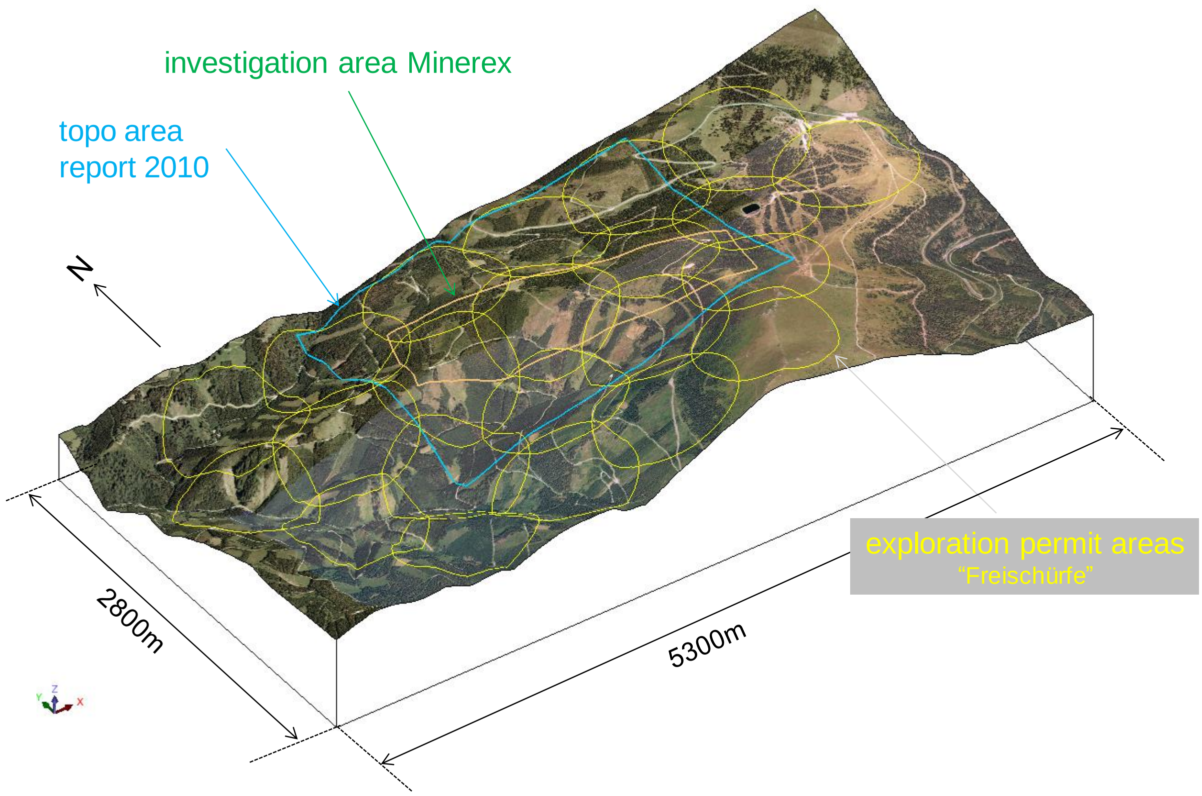

Figure 1: Topographic data and area covered

Minerex drilled from surface profiles generally orientated perpendicular to the general strike of the deposit. The spacing of the profiles range between 90 and 130m. In the eastern part of the deposit Minerex opened up a decline to intersect the pegmatite veins and a number of drifts were mined to follow the veins along strike. Underground drilling was conducted to establish profiles at half distance of the original spacing. The general layout of the profiles is shown in Figure 2.

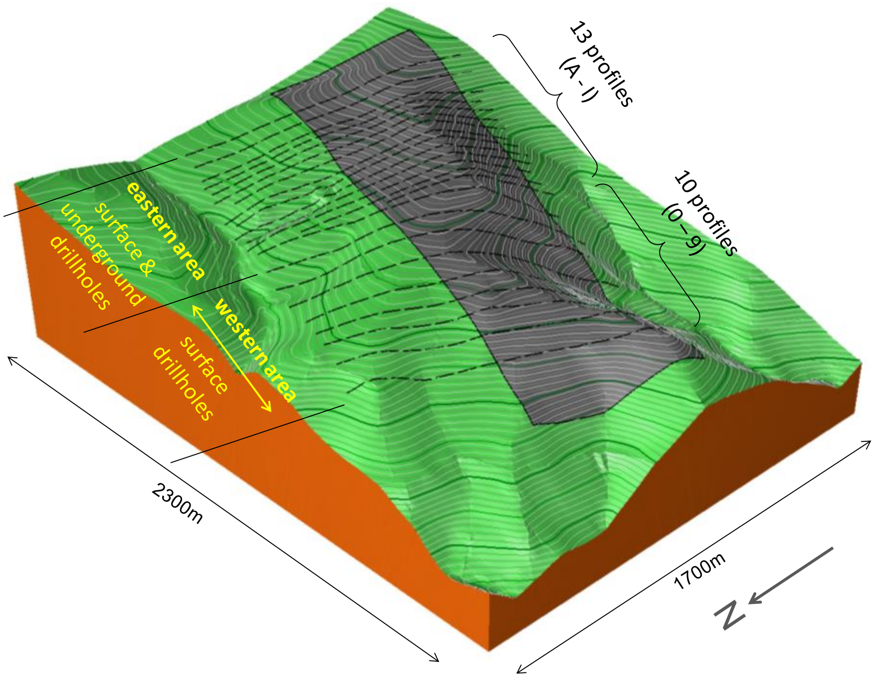

Figure 2: Location and nomenclature of the geological profiles

Figure 3 is a view of the location and trace of the exploration boreholes from both surface and underground.

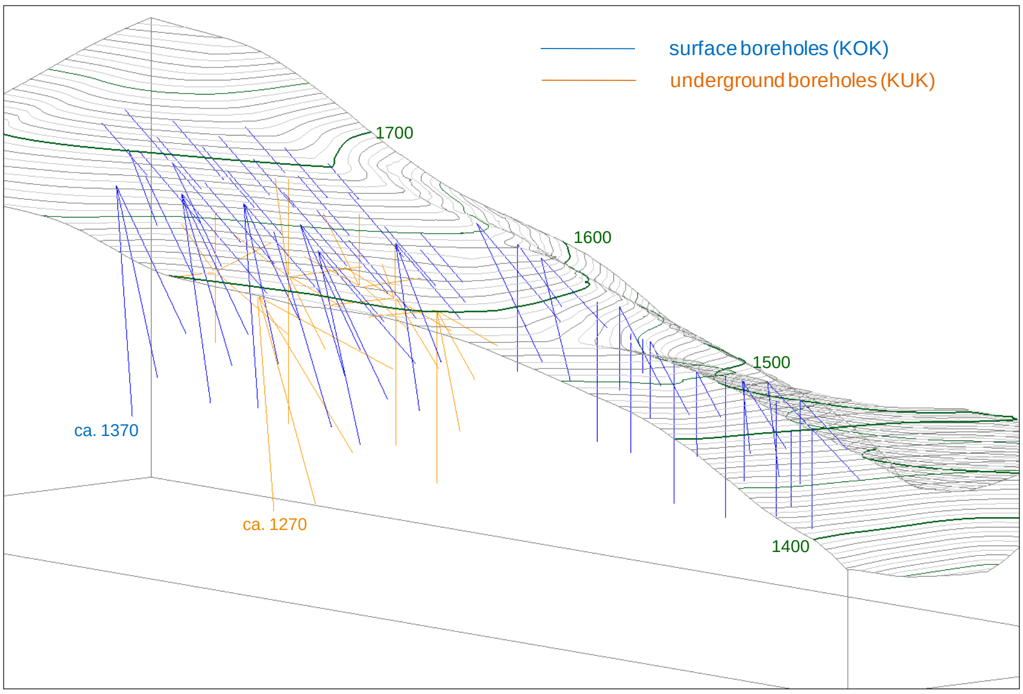

Figure 3: Location and traces of the boreholes in the exploration area

The borehole logs for each profile were used to interpret host rock (amphibolite and mica schist) and the trace of the veins as they could be reasonably correlated by Minerex. The information was digitised and converted into the corresponding 3D position in space. An example of a digitised profile in 2D is shown in Figure 4.

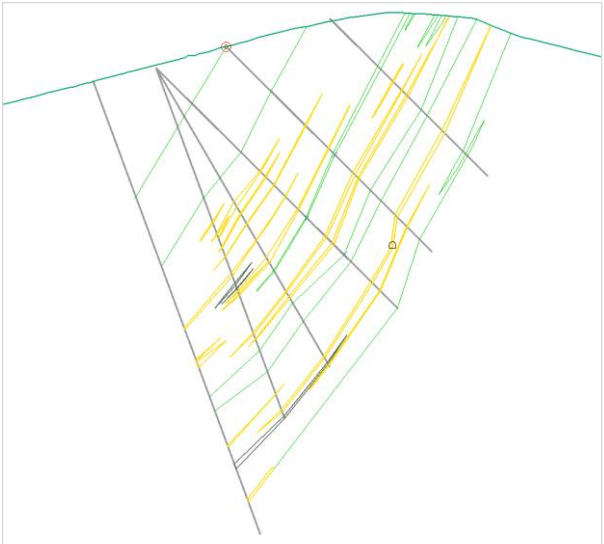

Figure 4: Example of a digitised profile (Profile D)

The profiles are the basis for the geometric modelling of the veins because the geological interpretation of Minerex is considered most reliable. The geometric positions of the intersections of the boreholes are the basis for the geostatistical modelling of the thickness as well as grade of the veins.

The geometry of the underground workings was included into the digital model for reasons of completeness and Figure 5 gives a good impression of the part of the exploration area covered by the underground drifts. The adit is in the north (hanging wall) of the deposit on a level of 1570 masl. The cross cut accessing the deposit is a decline so that the dominant level of the drifts along the strike of the veins reaches approximately 1550 masl which represents about the top third of the explored vertical extension of the deposit.

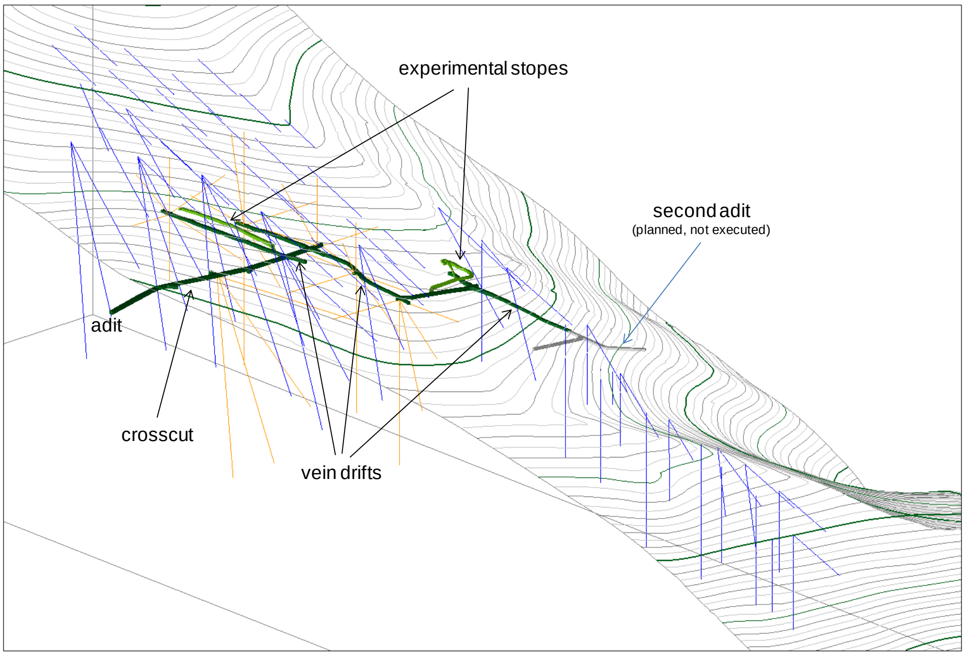

Figure 5: Overall view of underground mine workings relative to the exploration area and

boreholes

Geology

In 2011 an extensive geological mapping programme was undertaken covering a considerably larger area than the original Minerex investigation area. The programme included the location of outcrops of different rock type, orientation of bedding and stratification and location of pegmatite boulders on surface. All data is localised by GPS and documented in the database. A simplified version of this situation is shown in Figure 6.

Based on the orientation of the stratigraphies the surface model could be extended to a preliminary 3D model, shown as Figure 7, which leads to the targeting of exploration beyond that undertaken by Minerex and is expected to result in additional resources. An exploration programme was previously announced targeting vein extensions with depth to the veins identified by Minerex which have been used for this resource estimation. Further exploration will be conducted on the southern limb of the anticline where the geological model suggests the potential to mirror the resources on the northern limb.

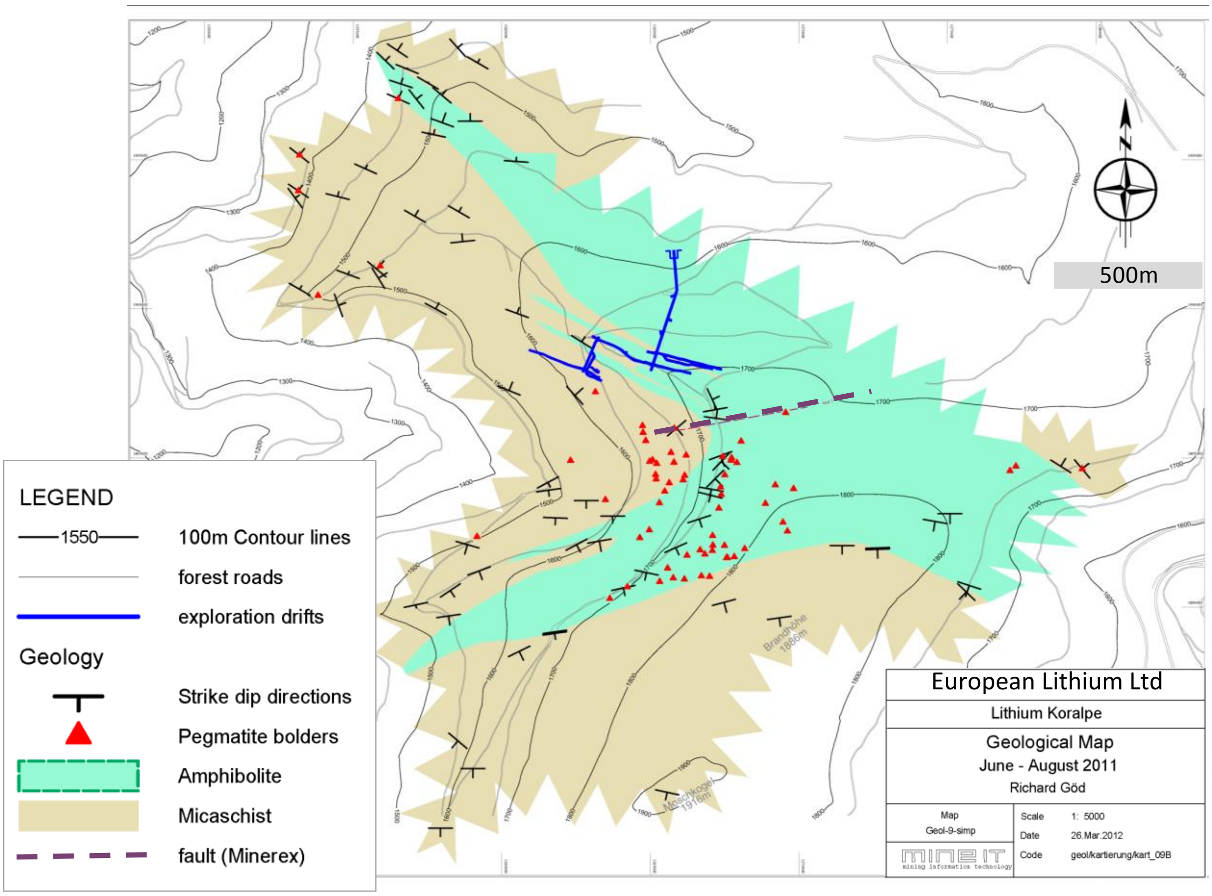

Figure 6: Simplified geological map of the larger deposit area

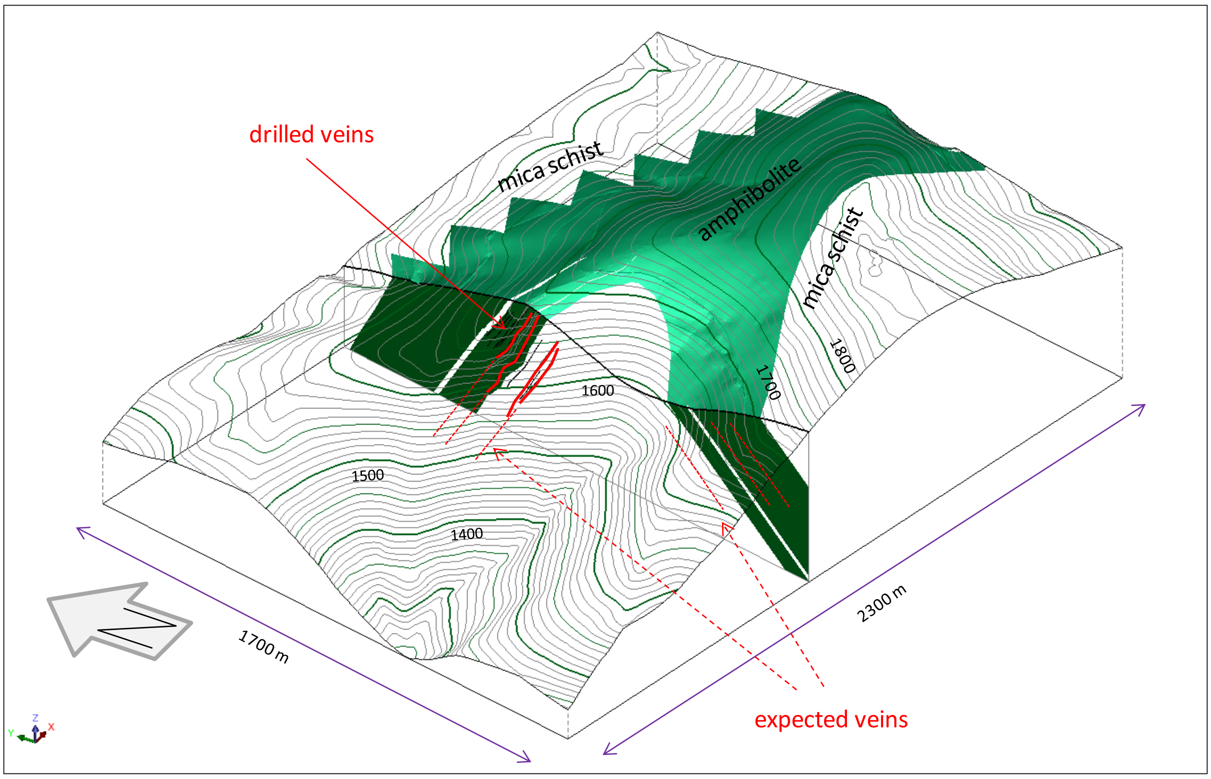

Figure 7: Schematic 3-dimensional model of the general geological situation

Vein Identification

During the exploration phase Minerex identified several veins that could be reasonably traced between the borehole data both vertically and horizontally and in total identified 15 veins. There are several more pegmatite lenses shown in the profiles but as there is not reasonably correlated samples in neighbouring boreholes they were not reported as veins of sufficient extension. Table 2 summarises the identified veins and some of the important geometric characteristics.

vein	source	host rock	profile range	max. extension horiz.	vert.	profiles 1 2 3 4 5 6 7 8 9 A B C D E F G H I	remarks
0.0	Minerex	amphibolite	B .. G	460	175		vertical split in western part
0.1	Minerex	amphibolite	B .. I	640	160		30 .. 40m in eastern part
0.2	Minerex	amphibolite	C .. D	100	180		
0.3	Minerex	amphibolite	C .. H	500	180		
1.1	Minerex	amphibolite	C .. I	590	190		hole at profile E
1.2	Minerex	amphibolite	C .. I	590	190		
2.1	Minerex	amphibolite	C .. I	590	235		
2.2	Minerex	amphibolite	C-D .. G	310	180		
3.1	Minerex	amphibolite	B .. G	460	350		
3.2	Minerex	amphibolite	B .. G	460	310		vertical split over almost all the length
4	Minerex	micashist	9 .. F-G	500	225		
6.1	Minerex	micashist	4 .. 9	550	80		
6.2	Minerex	micashist	1 .. F/G	1300	350		
7	Minerex	micashist	1 .. F/G	1300	250		
8	Minerex	micashist	1 .. 4	260	80		

Table 2: Overview of identified pegmatite veins

Geometric Modelling

The 3D shape of the individual veins is mainly based on a geostatistical interpolation of vein thickness following geographical positioning of the borehole intersections. Figure 8 illustrates the modelling and interpolation process which was executed for all of the 15 identified veins.

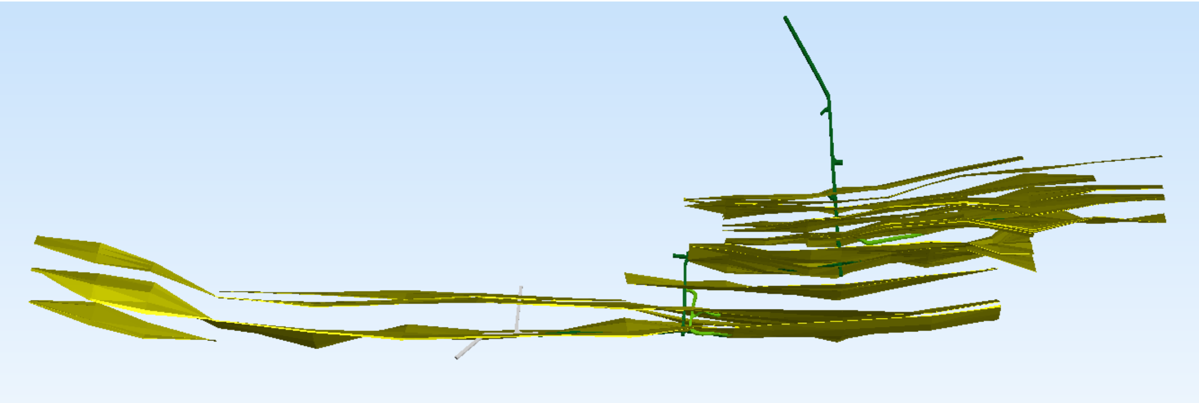

Figure 8: Top view of identified veins in direction of general dip showing the continuity of the formations.

Some of the veins show interbedding of waste whilst others can be considered as vein packages of pegmatite and waste. Vein grades include the effect of this internal dilution but the impact on grade is relatively minor as only about 13% of sample composites assigned to veins are related with interbedding.

The strike and dip of the veins are relatively constant with a dip of 60° and a dip direction of 20°. Average vein thickness is about 1.4m.

Vein Modelling

The resource is modelled by a "semi-3D" interpolation technique. Interpolation is executed basically in 2D i.e. within the general vein plane. Grades are the original Minerex data recovered from analytical laboratory reports. Following the successful verification exercise these grades were included in the database. Interbedding is reflected in the Li_2O grade of the composite i.e. the grade includes the dilution by the interbedding which is assumed to have agrade of 0% Li_2O. Every point of an intersection of a borehole with a vein is described by Li_2O vein and vein intersection length. Due to the tabular characteristics of the veins the modelling can be reduced to a 2D model for both the grade and the thickness (illustrated in Figure 9). The vein thickness is corrected for orientation to the projection plane of the 2D modelling.

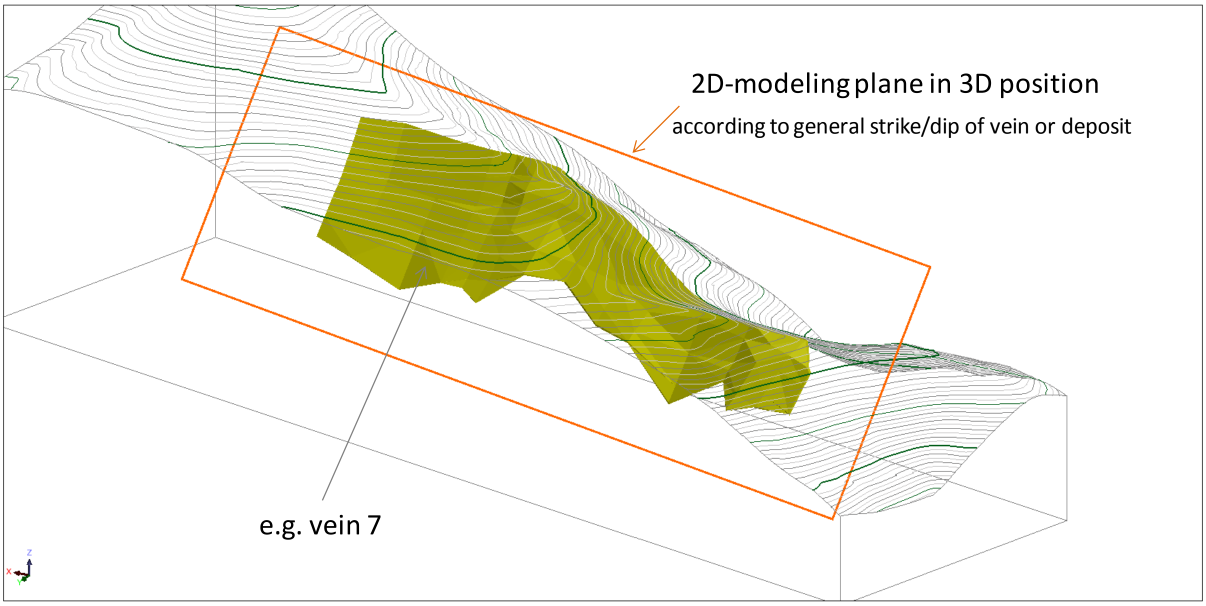

Figure 9: Illustration of the concept of "semi-3D" modelling

Favourable information on underground drifting and channel sampling show that even though there was some degree of small scale variation in thickness there was undeniable general persistence along strike. Examples are given from Minerex mapping for Vein 7 in Figure 10 and Vein 2.1 in Figure 11.

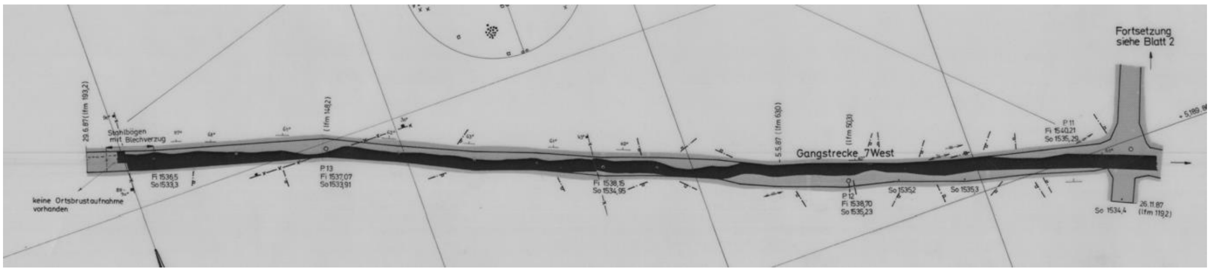

Figure 10: Vein 7, horizontal vein extension about 200m

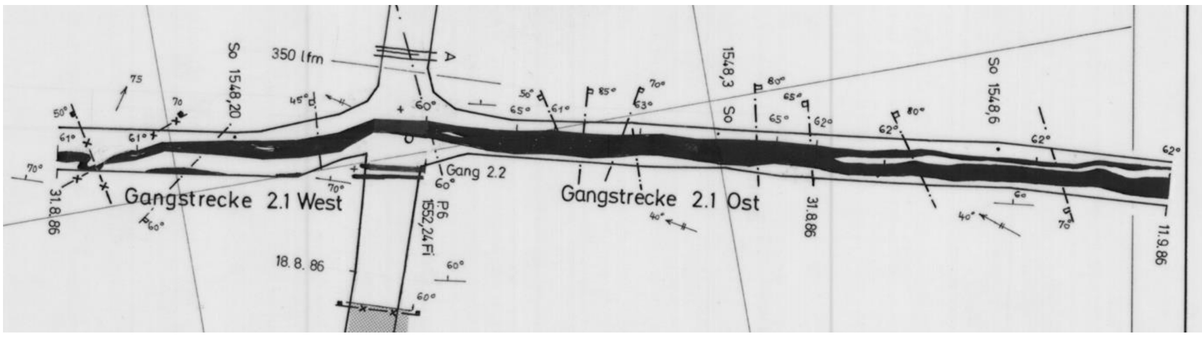

Figure 11: Vein 2.1, horizontal vein extension about 400m

Grade and vein thickness data are available for veins that were followed by underground drifting. Data for some of the veins is shown in Figure 12 as an example.

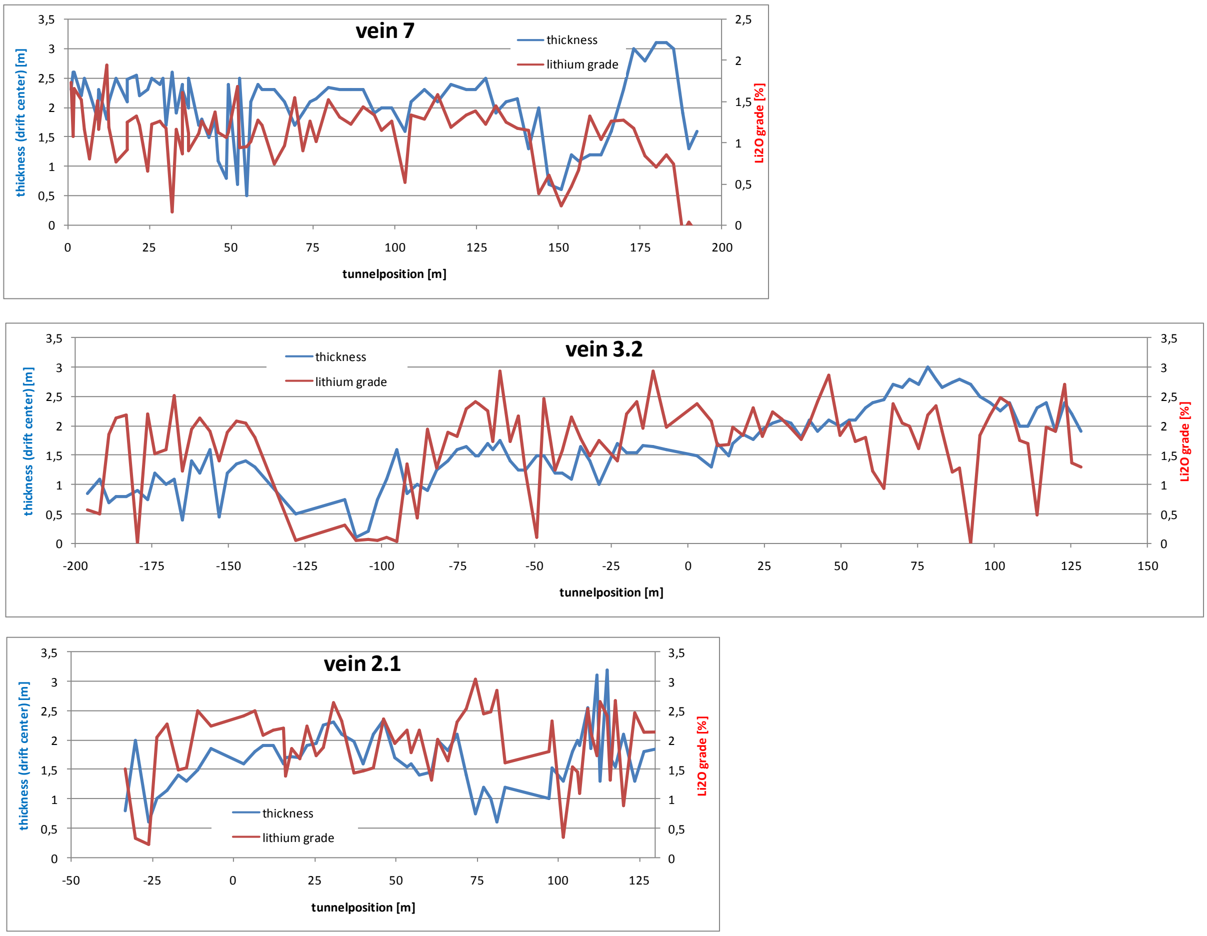

Figure 12 : Grade and thickness of veins along underground drifts

Variography

Supplementary to the visual analysis of spatial variation, variographic analysis was executed for both thickness (the projection of the samples normal to the projection plane is used) and grade (using composites rather than the underlying samples) and both for the borehole data (for large scale) and drift exploration data (for small scale). In respect of thickness the results for the borehole data are shown in Figure 13. All composites were used but only pairs from the same vein were used for variance calculation.

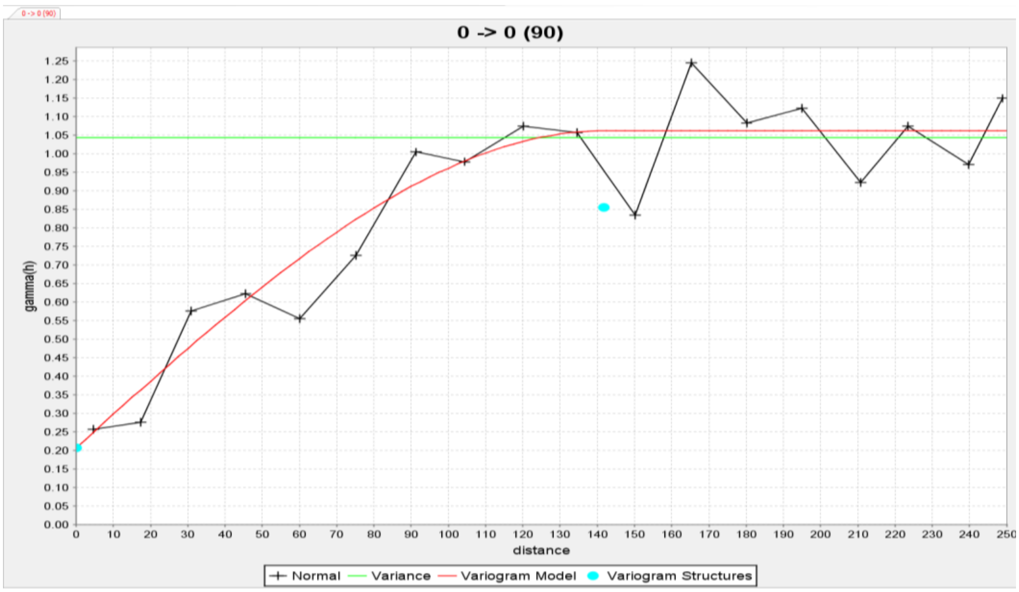

Figure 13: Variogram thickness

The variogram for lithium grade is given in Figure 14

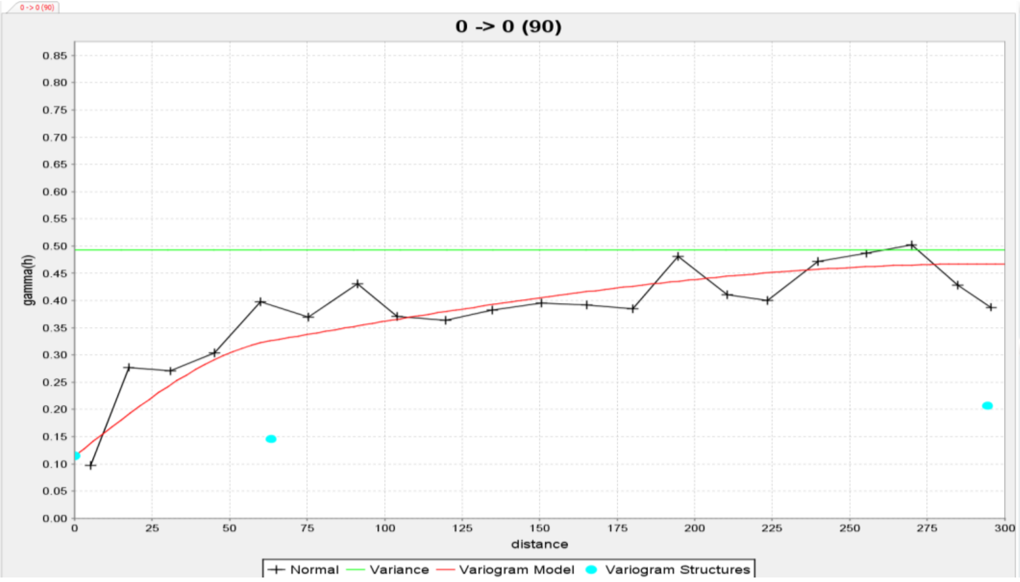

Figure 14: Variogram Li_2O

The variogram of thickness has a range of about 100m. There is a nugget effect but not a very extreme one.

The Li_2O grade shows quite a high variance even at short distance. There is also a significant second structure reflecting a certain continuity over longer distances. Accordingly a variogram model with two structures was used with the second having a range of about 250m

Modelling Approach

The semi 3D modelling approach allows the modelling of vein thickness as well as grade which is important as a combination of both is of importance for future mine planning. The use of a cut-off grade is unlikely owing to the added value of by-products of feldspar, quartz and mica that have value to industry in Central Europe. Minerex estimated that 74% of the pegmatite was potentially saleable product. The practicalities of mining the veins also indicate mining the full vein, contact to contact. Hence, both vein thickness and grade must be applied in a similar way.

The main steps for modelling are :-

- Modelling on a vein by vein basis
- For each vein, data samples provide position in space, Li_2O grade and thickness
- Data are geometrically transferred into 2D space using the general strike/dip orientation of the deposit.
- In this way grade, thickness, interbedding and perpendicular deviation are information available on any sample position.

The prime goal of the exercise is the modelling of thickness and grade over the whole vein extension. Modelling is done on a 25m x 25m grid reflecting stope sizes. The underground vein sampling showed that small scale variation in thickness and grade cannot be expected to be predicted and that a smaller grid pattern would not provide any increase in information. A kriging method was used with a search and modelling distance of 150m. No further restrictions in respect of sample or similar was taken into account. In consequence a considerable area outside the actual sample area is modelled but this area is restricted by manually defined boundaries. The main boundary restricts the area defined by the samples. Another boundary is used which allows for a moderate extrapolation. This additional area is typically 20-40m maximum from the stringent area. An example is given in Figure 15.

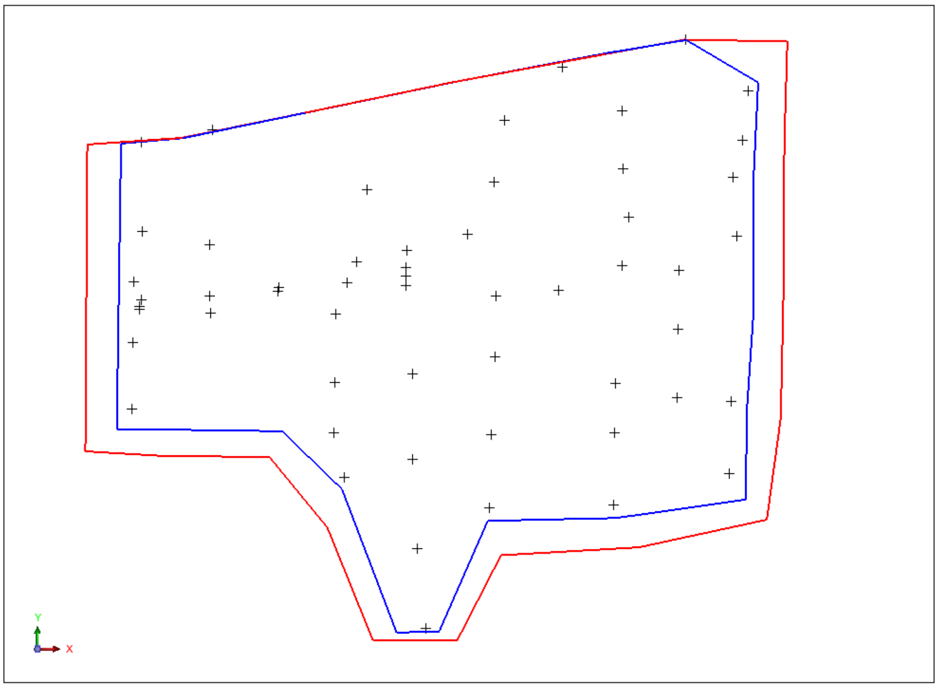

Figure 15: Stringent area (blue) and extrapolation area (red) for Vein 3.1

For the modelling, in addition to the borehole data, data from the vein drifting and surface trenches were included.

This procedure was used for all 15 veins identified by Minerex.

Spatial Distribution

One of the important targets of modelling is to gain information on spatial distribution of thickness and grade within the veins which becomes a dominant issue for mine design. For each vein plots were generated showing the borehole data (modelling source) and modelling result for grade and thickness for each 25m x 25m grid cell.

Resources and Categorisation

The independent geologist for the prospectus recommended that the veins above and below the underground workings to the extent of the underground drilling could probably be expected to be in the 'Measured' category. The veins intersected by at least 3 boreholes no further than 50m apart on the main cross sections are considered as 'Indicated' category. To the extent that the remainder of the drilling along strike and at depth not included as 'Measured' or 'Indicated' are considered as 'Inferred' category.

Minerex basically applied a 100m spacing of the sections where drilling was done. In the area which was accessed by underground drifts additional drilling was carried out to reduce the spacing to 50m. Veins within this area are considered well explored and the interpolated portions of the vein are considered 'Measured'. Any extrapolation is categorized as 'Indicated'. Veins where the profiles are 100m apart meet the criteria of being intersected by at least 3 boreholes not further than 50m apart and are, therefore, categorized as 'Indicated'. Previous declaration to JORC Code (2004) in 2012 had categorized the entire drilled area as 'Measured'.

Table 3 summarises the resources based on the modelling result of thickness and grade. The resources are given by identified vein and are at 0% Li_2O cut off.

vein	measured resources			indicated resources		
	tonnage	Li_2O	thick	tonnage	Li_2O	thick
0.0	51,800	0.85	0.80	64,200	0.96	0.73
0.1	34,400	1.03	0.96	83,900	1.10	0.90
0.2	27,000	1.57	0.88	29,200	1.49	0.72
0.3	41,800	1.01	0.68	61,900	0.73	0.65
1.1	298,900	1.23	1.29	152,400	0.93	1.01
1.2	361,400	0.63	1.79	274,400	0.83	1.86
2.1	442,500	1.61	1.53	177,300	1.25	1.16
2.2	156,100	1.30	0.97	97,400	1.35	1.01
3.1	628,300	1.63	1.53	92,600	1.52	1.21
3.2	118,800	1.31	0.74	155,300	1.29	0.79
4	110,200	1.21	0.83	89,600	1.07	0.74
6.1	6,700	0.90	0.66	81,700	0.67	0.98
6.2	276,200	1.17	1.22	531,500	1.04	1.50
7	307,800	1.12	1.79	1,469,400	1.13	2.65
8	0	0.00	0.00	80,800	0.60	1.32
total	2,861,800	1.28	1.31	3,441,500	1.08	1.49

Table 3: Summary of resources based on modelling by identified vein

The total measured and indicated resource is 6.3 million tonnes at an average grade of 1.17% Li_2O and an average thickness of 1.41m. The contained Li_2O at 73,799 tonnes is 33% greater than the currently declared JORC Code compliant 'Inferred' resource of 55,500 tonnes. This resource includes the effect of internal dilution through interbedding of waste. This resource is essentially within the drilled area that had been considered as 'Measured' in the 2012 resource declaration. The Company is currently undertaking sensor based sorting testwork aimed at eliminating internal dilution from entering the processing plant thus increasing the grade.

Tony Sage
Non-Executive Chairman
European Lithium Limited

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Visit the Company's website to find out more about the advanced Wolfsberg Lithium Project located in Austria.

Competent Person's Statement

The information in this announcement pertaining to the Wolfsberg Lithium Project, and to which this statement is attached, relates to Exploration Results, Mineral Resources or Ore Reserves and is based on and fairly represents information and supporting documentation provided by the Company and reviewed by Mr Don Hains, who is the independent Qualified Person to the Company and is a Member of the Association of Professional Geoscientists of Ontario with over 30 years' experience in the mining and resource exploration industry. Mr Hains has sufficient experience, as to qualify as a Competent Person as defined in the 2012 edition of the "Australian Code for Reporting of Mineral Resources and Ore reserves". Mr Haines consents to the inclusion in the report of the matters based on information in the form and context in which it appears. The company is reporting the historical exploration results under the 2012 edition of the Australasian Code for the Reporting of Results, Minerals Resources and Ore reserves (JORC code 2012).

JORC Code, 2012 Edition – Table 1 report

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 (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.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *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 (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.*	• Diamond drilling and channel sampling were used for underground material collection. European Lithium Limited completed 7 diamond drill holes totaling 829.6m. 89 channel samples were cut sampling 325m of exposed pegmatite veins. Channel sampling was with a twin bladed saw to cut a channel across the full width of the exposed pegmatite veins. The parallel cuts were 4.5cm apart with depth averaging 11cm. The material between the parallel cuts were chipped out onto plastic sheets and bagged. The average of the sample weights was 25kg. All collected samples were sent to ALS Ireland for sample preparation and analysis • Results for the channel and diamond drilling samples have been previously reported.
Drilling techniques	• *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).*	• Underground drilled material has been collected using a Sandvik TE130 drill with 50 mm diamond coring bit and 3 m in length standard coring tube. The drill core was not orientated. All holes had down the hole surveys by Fugro GmbH.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *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.*	• Core recovery was measured for all runs and core boxes. Core recovery data has been recorded into "Core Recovery Paper Log" than later transferred into an excel spreadsheet template for import to the database. Average core recovery was 97.2 % and 99.5% for the pegmatites
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.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*	• Both, lithology and geotechnical logging was undertaken by logging geologists. • For lithology logging descriptions were done over the full length of drill core on paper "Lithology Logging Form", recording rock type, color, foliation and structural characteristics, mineralogy, core recovery and a graphic log representative of the lithology. Paper logs are later

JORC Code, 2012 Edition – Table 1 report

Criteria	JORC Code explanation	Commentary
	• *The total length and percentage of the relevant intersections logged.*	transferred to excel spreadsheets template for import to the database. • The geotechnical logging is undertaken on a domain run interval basis with breaks made at points where the rock mass characteristics change. Data were recorded into previously prepared Excel spreadsheet logging templates. Major structures are broken into individual domains and recorded in a separate logging sheet. • Individual photographs of each core box are taken. To ensure consistency of the scale, a photographing frame to shoot down the core boxes at a fixed height is used so that each box filled the complete frame without cutting off edges of core boxes.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *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.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Cutting of the core is performed at the core shed after logging and sample mark up. Drill core is cut in half along the core axis. The cutting operation is made by trained technicians and supervised by geologists. • Samples with visible mineralization (spodumene) are taken on the basis lithology and mineralogy and range from a minimum of 0.5m to a maximum of 1.0m thickness. • All remaining core after sampling is stored on metal racks in the Wolfsberg core shed. •
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 (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• The QA/QC actions taken to provide adequate confidence in data collection and processing are discussed above. • All sample preparation and assays were undertaken by ALS (Ireland) • Sample preparation was using ALS procedure PREP31Y • Lithium analysis was using ALS procedure LIOG63 by four acid digestion and analysed by ICP • Standards and blanks were introduced every 20 samples (5% frequency). Acceptable levels of accuracy for standards and blanks were obtained.
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*	• An independent QP has verified the intersections • All the primary data was transferred into standardized excel spreadsheet templates and imported into an Access database • Li assays were converted to Li_2O for reporting using a conversion of

JORC Code, 2012 Edition – Table 1 report

Criteria	JORC Code explanation	Commentary
	verification, data storage (physical and electronic) protocols. • *Discuss any adjustment to assay data.*	Li_2O% = Li% * 2.153 • An electronic database containing collars, surveys, assays and geology is maintained by Mine-it, an independent Mining Information Management Consultancy in Leoben, Austria
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.*	• Site surveys were conducted by an external licensed Surveyor, using a total station instrument 1600 Leica with standard accuracies of +/- 2mm per kilometre. All coordinates are tied into the state triangulation network and provided in the Austrian Gauss Kruger co-ordinate system.
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.*	• Channel sampling along exposed veins were generally at 3m intervals. • Drill holes were selected as twin holes to validate original Minerex data • Pegmatite intersections in drill core were sampled and assayed in widths up to 1m. For veins exceeding 1m the samples up to 1m were prepared and assayed separately and the results later composited to represent the assay of the true width
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.*	• Channel samples were perpendicular to the pegmatite veins and across the full width. • Drill holes were perpendicular to the dip of the pegmatite veins • No sampling bias was introduced
Sample security	• *The measures taken to ensure sample security.*	• All drill core was placed in core boxes and labelled with drill hole number and core position. Drill core boxes were transferred to the secure Wolfsberg core shed and placed on racks. All work was under the supervision of company personnel. • Channel samples were placed in sample bags and labelled with unique sample number and transferred to the Wolfsberg core shed. • All samples for sample preparation and assay were loaded into a truck and driven to ALS (Ireland) for handover.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• An audit of the application of the QA/QC procedures was undertaken by the independent QP, Don Hains, on 25-28 August 2016. No deviations from procedure were found.

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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 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 100% owned subsidiary in Austria, ECM Lithium AT GmbH, has 54 exploration licences in the Wolfsberg project area valid to 31 December 2019 and renewable for additional 5 year terms following demonstration that exploration work has been undertaken on any one licence in the preceeding 5 year term. • ECM Lithium AT GmbH has 11 mining licences in the Wolfsberg project area. These are held in perpetuity as long as the terms of the mining licence are met. These licences obligate the Company to mine for at least 4 months per year but this requirement has been suspended by the Mining Authority until 31 December 2017 to allow technical studies to be undertaken • Land access is granted by the landowner who waived all rights to object to development of an underground mine on his land which is a commercial forest. ECM Lithium AT GmbH is obliged to pay the landowner compensation for use of forest roads and any emissions. This is documented in a waiver agreement dated 15 April 2011. A compensation rate of €2,000/month was agreed with the landowner in 2015 for this current work programme. There are certain matters in the agreement in dispute with the landowner and these have been referred to arbitration. Meanwhile a settlement agreement for the works until 30 June 2017 has been agreed with the landowner with compensation amounts of €2,000/month to be paid. • ECM Lithium AT GmbH is obliged to pay a royalty of €1.50/tonne of mineral sold from the licence area to Exchange Minerals Limited.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The project was previously owned by the Austrian state company, Minerex, who conducted extensive exploration of the project area in 1981-1987. In total 9,940m3 of surface trenches, 12,012m of diamond drilling from surface, 4,715m of diamond drilling from underground and 1,389m of underground mine development were undertaken. Extensive mining studies to evaluate geotechnics and mining method as well as metallurgical studies to determine a process design. A pre-feasibility study was completed but the lithium price at that time did not support bringing the mine into production.

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Criteria	JORC Code explanation	Commentary
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The spodumene bearing pegmatites occur in a regional anticline as unzoned veins. The pegmatite veins are intruded into amphibolites and mica schists host rocks strictly concordant with their foliation. On the northern limb of this anticline which is known as Zone 1, the strata uniformly strike WNW-ESE (average 120°) and dipping to the NNE at an average of 60°. • The amphibolite hosted pegmatites (AHP) lie stratigraphically in the hanging wall position relative to the mica schist hosted pegmatites (MHP) although they overlap. The AHP has greyish to greenish spodumene crystals aligned sub-parallel to the pegmatite contacts and average about 2-3cm in length reaching a maximum of 15cm. They are more or less homogeneously distributed in a fine-grained matrix of feldspar and quartz with flakes of muscovite. The MHP lack the typical features and textures of pegmatites having undergone a penetrative metamorphic overprint almost completely recrystallizing the original pegmatitic minerals. The spodumene minerals are in form of mm sized lenticular grains embedded in to very fine feldspar, quartz and muscovite matrix. • A comprehensive description of the geology and mineralization is provided in the 'Independent Geologists Report' contained within the 'Second Replacement Prospectus' of 28th July 2016 that can be found on the Company website www.europeanlithium.com •
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.* • *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*	• All the drill collar, drilling, downhole survey and associated geochemical, and logging data was transferred to standardized excel spreadsheet templates for import to the Access database. •

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Criteria	JORC Code explanation	Commentary
	explain why this is the case.	
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 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.*	• No cut-off grades were used. Pegmatite veins with a minimum width of 0.5m were sampled contact to contact and sample lengths up to 1m were taken and aggregated to provide a composite grade for the width of the intersection.
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 drill holes were made perpendicular to the dip of the pegmatite veins and intersections are considered true widths.
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.*	• Included
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.*	▪ All lithium results are reported
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.*	• An almost complete body of original primary data from the Minerex exploration programme of the 1980's has been recovered from archives in Vienna. This has been scanned and digitized into the project database.
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.*	• The data obtained from the underground channel sampling and drilling has been used to verify the Minerex data from the 1980's and then that will be used to declare an upgraded resource. • This report summarises the results of the data verification programme • A surface diamond drilling programme will be undertaken to explore the extension of the pegmatite veins identified by Minerex with depth.

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Criteria	JORC Code explanation	Commentary
		Additionally a surface drilling programme will be undertaken to explore the continuation of the pegmatite veins to the southern side of the anticline as all the work by Minerex was on the northern side of the anticline.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• Past data derive from paper works from Minerex, the company which was executing the exploration program in the 1980's. Data have been scanned or manually transcribed. There were multiple checking phases by comparing data with different sources (e.g. lab reports, annual summary reports, geological maps, core logging, etc.). Generally hardly any contradictions were detected. Any observed discrepancies are documented. Finally the data are compiled in a Access database. • New data are acquired and processed under a QA/QC procedure of the geologist in charge • The Minerex data was verified in a programme of twin hole drilling and underground channel sampling of exposed veins
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	The Competent Person assisted the Company during an extended site visit in setting up comprehensive QA/QC protocols. A further site visit was made in August 2016 to audit the application of those procedures with no deviations found.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• The fundamental basis of the geological interpretation (vein identification) was done by Minerex. By being in charge over the whole period of the exploration they are assumed to have the best knowledge about the deposit. The Geology adviser to the Company was the Chief Geologist in charge of the Minerex exploration. The geological experts in charge now have not detected any flaws in the previous works and interpretations. • Undeground mine development was carried out by Minerex to intersect the pegmatite veins and follow them by drifting along strike which confirmed the geological interpretation and demonstrated the

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Criteria	JORC Code explanation	Commentary
		vein continuity. • Extensive mineralogical studies were made as part of the metallurgical testwork programme of Minerex • • Data comprise listings (samples, etcs.) and a wide range of geological maps. Although not directly used for resource estimation they are extremely helpful for understanding the deposit characteristics. • So far no alternative interpretation of the geology has been considered. • The resource estimation recognizes the characteristics of the vein structure and makes estimates on a vein by vein basis • The pegmatite intrusion visbly shows continuity along strike as evidenced by the underground drifting. Continuity down dip is evidenced from borehole profiles
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The currently explored deposit has an extension in strike of 1500m. The maximum vertical extension is about 400m (1700m asl to 1270m asl), but varies along strike due to varying exploration strategies in the past. The veins are steep to medium dipping and most of them have expressions on the surface. It is expected that the deposit continues into deeper depths than currently explored. • The width of the veins averages 1.35m with maximum width recorded at 5.5m. Intersection lengths in the boreholes were logged but not sampled if less than 0.5m
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).*	• For project evaluation vein thickness and grade are of paramount importance. For this situation a semi-3D modeling approach is most appropriate for both key figures. This is in particular true for vein thickness, which can by this approach be treated by statistical and numerical methods, while by alternative solutions it has to be indirectly derived from wireframed surface distance. The modeling was done with Surpac with some adaptations for this particular application. Interpolation parameters are derived from variography analysis. Variogram ranges are about 100m for thickness and 200m for grade, however both with evidence of a significant nugget ratio. Search distance is 150m for both. Extrapolation is limited by two manually defined boundaries. One boundary represents a hull of the samples (no extrapolation), while the second allows for a moderate

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Criteria	JORC Code explanation	Commentary
	• *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	extrapolation of 20-40m. Parameters refer exclusively to the strike/dip extension, as thickness is a model parameter. Geologically a distinction between host rock (amphibolite or mica schist) is of importance. Currently too few data are available for detecting and applying modeling parameters for these types separately. • The results so far correlate well with prior publications of Minerex. In the very beginning of the project the veins were modeled by standard wireframing with very similar results as far as volume is concerned. • The resource estimation does not consider by-products however the potential for by-products leads to a zero Li_2O cut-off being used for the estimation. By products are not yet implemented in the resource model. • The only element that is of potential concern is Fe2O3 concentration of the spodumene concentrate. That may limit access to the high quality glass/ceramic market but is of no concern if converting to lithium carbonate/hydroxide • The block dimension of the model is 25m x 25m (with variable thickness). The size is very much determined by assumed stope dimensions rather than blast dimensions. This is because the mining methods under consideration have to extract the full panel size of a stope. Likewise a modeling of the transverse grade distribution is not relevant because the whole width has to be mined as a total. • Selectivity in mining is assumingly limited to selection and dimensioning of stopes. Future deposit modeling investigations will focus on vein regularity because this is of relevance for dilution. • Currently only thickness and grade is under investigation. No reasonable correlation exists for these two parameters. • The geological interpretation refers to the vein identification, i.e. assigning distinct drill hole intersections to a distinct vein. This is done primarily on basis of the global geological structure, which is fairly well known. For adjacent located veins however this is sometimes ambiguous. This is the prime basis for modeling, as modeling handles only the interpolation between these geologically defined nodes for each vein. • Before modelling an intensive study on the sample data (grade, partially thickness) was conducted. The distributions of both are actually very close to a gaussian distribution and do not show any tendency for outliers. Hence no particular measures for capping must

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Criteria	JORC Code explanation	Commentary
		be applied. • Model results are always statistically compared with sample data. As far as possible this is done also for groupings such as by the host rock type. Comparisons were also done with records from former drifting. An essential part is also the evaluation of the plausibility of vein identification, which is still in progress.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• The principle calculation is a volumetric one based on vein geometry. For the transformation into tonnage the density figure determined during data validation is used (dry). Considerations on moisture will be subject of the mining investigations.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	Currently no cut-off for either thickness or grade is used. Indirectly a cut-off for thickness occurs because only samples with a length of more than 0.5m are sampled and hence only these contribute to the resources. No grade cut-off has been used as the Minerex data indicated that 74% of the pegmatite reported to saleable product and there were very limited zones of lower grade material
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• Currently no particular assumptions for mining methods are made. This is with the exception of the full-vein-width (semi 3D) modeling approach. This is based on the assumption that in every case the full width has to be mined and no selectivity is conceivable for any separation within the vein. For this reason the modeled grade includes also the dilution due to interbeddings which are observed occasionally. • The Minerex PFS concluded that long hole open stoping and cut and fill were appropriate mining methods. Minimum sampling width was 0.5m. The economic minimum mining width still has to be established taking into account current studies to remove waste dilution by sensor based sorting. 13% of the sample composites had interbedding which has been included as internal dilution within the resource estimate.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of*	Minerex conducted extensive metallurgical testing and concluded that a 6% Li_2O spodumene concentrate could be produced by crushing, grinding, flotation and magnetic separation. Saleable by-products of feldspar, quartz and mica were also obtained which have value with the projects location in Central Europe Limited testwork also demonstrated that the spodumene concentrate was amenable to conversion to lithium carbonate

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Criteria	JORC Code explanation	Commentary
	the basis of the metallurgical assumptions made.	
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• It is envisioned that the waste from mining and processing will be utilized as fill in the mine and that there will be no permanent tailings dam.. • The mine area is in a commercial forest and there are no nature conservation or water protection zones.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• The measurements of density for pegmatite and the major host rocks, amphibolite and mica schist, were made during the recent twin hole drilling programme. For mineralized pegmatite zones routine density information was determined at regular intervals every 0.5m • The procedure follows Archimedes method weighing samples of full core diameter in 10-15cm lengths in air and in water. • Results obtained were Pegmatite 2.72+/- 0.06 (54 samples), Amphibolite 3.08+/-0.10 (145 samples) and Mica Schist 2.85+/-0.07 (136 samples)
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• In this particular case the former exploration activities comprise also underground drifts following some selected veins. In this way the continuity of the veins can be demonstrated and investigated very easily, as well as the reasons for the occurrence of disturbances. This appraisal is supported by the statistical analysis of the variability based on the drillhole data. • Measured resource has been considered for the veins immediately above and below the underground workings that visibly show continuity to the extent of the underground drilling which results in profiles at 50m along strike. • Indicated resource was considered for the main cross sections where there were at least 3 drill holes not more than 50m apart. • Inferred resource was considered as that material not included in the previous definitions.

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Criteria	JORC Code explanation	Commentary
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• The resource estimate has been prepared by Mine-IT Sanak Oberndorfer and audited by the independent Competent Person
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• The relative accuracy of the Mineral Resource estimate is reflected in the reporting of the Mineral Resource as per the guidelines of the JORC Code (2012) • The resource estimate refers to global estimates of tonnes and grade

Section 4 Estimation and Reporting of Ore Reserves

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	• *Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.* • *Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.*	• Insert your commentary here…
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	•
Study status	• *The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.* • *The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and*	•

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Criteria	JORC Code explanation	Commentary
	that material Modifying Factors have been considered.	
Cut-off parameters	• *The basis of the cut-off grade(s) or quality parameters applied.*	•
Mining factors or assumptions	• *The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).* • *The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.* • *The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling.* • *The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).* • *The mining dilution factors used.* • *The mining recovery factors used.* • *Any minimum mining widths used.* • *The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.* • *The infrastructure requirements of the selected mining methods.*	•
Metallurgical factors or assumptions	• *The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.* • *Whether the metallurgical process is well-tested technology or novel in nature.* • *The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.* • *Any assumptions or allowances made for deleterious elements.* • *The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.* • *For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?*	•
Environmen-tal	• *The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options*	•

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Criteria	JORC Code explanation	Commentary
	considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.	
Infrastructure	• *The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.*	•
Costs	• *The derivation of, or assumptions made, regarding projected capital costs in the study.* • *The methodology used to estimate operating costs.* • *Allowances made for the content of deleterious elements.* • *The source of exchange rates used in the study.* • *Derivation of transportation charges.* • *The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.* • *The allowances made for royalties payable, both Government and private.*	•
Revenue factors	• *The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.* • *The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.*	•
Market assessment	• *The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.* • *A customer and competitor analysis along with the identification of likely market windows for the product.* • *Price and volume forecasts and the basis for these forecasts.* • *For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.*	•
Economic	• *The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.* • *NPV ranges and sensitivity to variations in the significant assumptions and inputs.*	•
Social	• *The status of agreements with key stakeholders and matters leading to social licence to operate.*	•

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Criteria	JORC Code explanation	Commentary
Other	• *To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:* • *Any identified material naturally occurring risks.* • *The status of material legal agreements and marketing arrangements.* • *The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.*	•
Classification	• *The basis for the classification of the Ore Reserves into varying confidence categories.* • *Whether the result appropriately reflects the Competent Person's view of the deposit.* • *The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).*	•
Audits or reviews	• *The results of any audits or reviews of Ore Reserve estimates.*	•
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.* • *It is recognised that this may not be possible or appropriate in all*	•

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Criteria	JORC Code explanation	Commentary
	circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	

Section 5 Estimation and Reporting of Diamonds and Other Gemstones

(Criteria listed in other relevant sections also apply to this section. Additional guidelines are available in the 'Guidelines for the Reporting of Diamond Exploration Results' issued by the Diamond Exploration Best Practices Committee established by the Canadian Institute of Mining, Metallurgy and Petroleum.)

Criteria	JORC Code explanation	Commentary
Indicator minerals	• *Reports of indicator minerals, such as chemically/physically distinctive garnet, ilmenite, chrome spinel and chrome diopside, should be prepared by a suitably qualified laboratory.*	• Insert your commentary here…
Source of diamonds	• *Details of the form, shape, size and colour of the diamonds and the nature of the source of diamonds (primary or secondary) including the rock type and geological environment.*	•
Sample collection	• *Type of sample, whether outcrop, boulders, drill core, reverse circulation drill cuttings, gravel, stream sediment or soil, and purpose (eg large diameter drilling to establish stones per unit of volume or bulk samples to establish stone size distribution).* • *Sample size, distribution and representivity.*	•
Sample treatment	• *Type of facility, treatment rate, and accreditation.* • *Sample size reduction. Bottom screen size, top screen size and re-crush.* • *Processes (dense media separation, grease, X-ray, hand-sorting, etc).* • *Process efficiency, tailings auditing and granulometry.* • *Laboratory used, type of process for micro diamonds and accreditation.*	•
Carat	• *One fifth (0.2) of a gram (often defined as a metric carat or MC).*	•
Sample grade	• *Sample grade in this section of Table 1 is used in the context of carats per units of mass, area or volume.* • *The sample grade above the specified lower cut-off sieve size should be reported as carats per dry metric tonne and/or carats per 100 dry metric tonnes. For alluvial deposits, sample grades quoted in carats per square metre or carats per cubic metre are acceptable if*	•

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Criteria	JORC Code explanation	Commentary
	accompanied by a volume to weight basis for calculation. • *In addition to general requirements to assess volume and density there is a need to relate stone frequency (stones per cubic metre or tonne) to stone size (carats per stone) to derive sample grade (carats per tonne).*	
Reporting of Exploration Results	• *Complete set of sieve data using a standard progression of sieve sizes per facies. Bulk sampling results, global sample grade per facies. Spatial structure analysis and grade distribution. Stone size and number distribution. Sample head feed and tailings particle granulometry.* • *Sample density determination.* • *Per cent concentrate and undersize per sample.* • *Sample grade with change in bottom cut-off screen size.* • *Adjustments made to size distribution for sample plant performance and performance on a commercial scale.* • *If appropriate or employed, geostatistical techniques applied to model stone size, distribution or frequency from size distribution of exploration diamond samples.* • *The weight of diamonds may only be omitted from the report when the diamonds are considered too small to be of commercial significance. This lower cut-off size should be stated.*	•
Grade estimation for reporting Mineral Resources and Ore Reserves	• *Description of the sample type and the spatial arrangement of drilling or sampling designed for grade estimation.* • *The sample crush size and its relationship to that achievable in a commercial treatment plant.* • *Total number of diamonds greater than the specified and reported lower cut-off sieve size.* • *Total weight of diamonds greater than the specified and reported lower cut-off sieve size.* • *The sample grade above the specified lower cut-off sieve size.*	•

Value estimation	• *Valuations should not be reported for samples of diamonds processed using total liberation method, which is commonly used for processing exploration samples.*
	• *To the extent that such information is not deemed commercially sensitive, Public Reports should include:*
	  ○ *diamonds quantities by appropriate screen size per facies or depth.*
	  ○ *details of parcel valued.*
		•

JORC Code, 2012 Edition – Table 1 report

Criteria	JORC Code explanation	Commentary
	○ *number of stones, carats, lower size cut-off per facies or depth.* • *The average $/carat and $/tonne value at the selected bottom cut-off should be reported in US Dollars. The value per carat is of critical importance in demonstrating project value.* • *The basis for the price (eg dealer buying price, dealer selling price, etc).* • *An assessment of diamond breakage.*	
Security and integrity	• *Accredited process audit.* • *Whether samples were sealed after excavation.* • *Valuer location, escort, delivery, cleaning losses, reconciliation with recorded sample carats and number of stones.* • *Core samples washed prior to treatment for micro diamonds.* • *Audit samples treated at alternative facility.* • *Results of tailings checks.* • *Recovery of tracer monitors used in sampling and treatment.* • *Geophysical (logged) density and particle density.* • *Cross validation of sample weights, wet and dry, with hole volume and density, moisture factor.*	•
Classification	• *In addition to general requirements to assess volume and density there is a need to relate stone frequency (stones per cubic metre or tonne) to stone size (carats per stone) to derive grade (carats per tonne). The elements of uncertainty in these estimates should be considered, and classification developed accordingly.*	•