

December 5<sup>th</sup> 2016

ASX Release

Kidman Resources Limited  
ABN 88 143 526 096

## Maiden Resource Establishes Earl Grey as a World-Class Lithium Deposit

### **Corporate Details:**

ASX Code: KDR

### **Issued Capital:**

315.9M ordinary shares  
47.45 listed options (KDRO)

### **Substantial Shareholders:**

Capri Holdings (10.5%)  
Acorn Capital (5.88%)

### **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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### Highlights

- Maiden Combined Mineral Resource of 128Mt at 1.44% Li<sub>2</sub>O for 1.84Mt lithium oxide (4.54Mt Lithium Carbonate Equivalent)
- High confidence resources, with over 61% contained in the Indicated Category
- The Resource is based on an area measuring 1.4km by 900m; However, drilling has intersected the pegmatite 600m north of the current Resource boundary
- Additional Exploration Target of 75 - 100Mt at 1.3 - 1.5% Li<sub>2</sub>O identified in a zone of pegmatites extending for at least 600m north from the boundary of the Resource, and remaining open
- The large scale and high grade of Earl Grey propels it into the ranks of tier-1 lithium deposits globally, and the largest hard-rock lithium resource on the ASX
- RC and diamond drilling will continue for the remainder of 2016 and into 2017, focused on testing the down-dip extent and below the historic Earl Grey gold mine waste dump
- Metallurgical test work is continuing, with initial results expected in early Q1 2017
- High levels of interest being received from various groups seeking to secure off-take
- Engineering studies to adapt the nearby 1.5Mtpa Lake Johnston plant are ongoing, along with work on transport infrastructure options
- The Resource Estimate and results of the metallurgical and engineering studies will form part of the feasibility study now underway
- Recent Drilling results included in the Resource and Exploration Target continue to highlight the future potential these results include
  - 82m @ 1.56 Li<sub>2</sub>O from 264m in KEGR109

Kidman Resources Limited (ASX: KDR) (“Kidman” or the “Company”) is pleased to advise a maiden Mineral Resource estimate for its Earl Grey Lithium deposit of **128 million tonnes at 1.44% Li<sub>2</sub>O**, containing **4.54Mt of Lithium Carbonate Equivalent (“LCE”)**.

The Earl Grey deposit is the first lithium pegmatite drilled by Kidman within its larger Mt Holland Project in the Forrestania Greenstone Belt near Southern Cross in W.A, which is quickly evolving into a new lithium province.

The Mineral Resource is based on an area measuring 1.4km by 900m, and has very significant growth potential yet to be fully explored based on high grade drill results outside of the resource boundary. Earl Grey has several qualities that lend the project to becoming a long-life, low cost open pit mining operation in the near-term, including:

- ✓ Flat lying geometry
- ✓ Mineralisation starting from surface (in the southern end of the deposit)
- ✓ Average thickness of 70 metres
- ✓ Large scale, and significant exploration upside
- ✓ High grade resource
- ✓ Extensive existing infrastructure

Importantly, Kidman has intersected lithium-bearing pegmatite at high grades over substantial widths up to 600m immediately beyond the northern boundary of the current Resource, providing significant scope for future growth in resources as drilling continues to delineate the deposit. This underpins an additional **Exploration Target of 75-100 million tonnes at 1.3-1.5 % Li<sub>2</sub>O**.

*The Exploration Target potential quantities and grades are conceptual in nature and there has been insufficient exploration to date to define a mineral resource. It is not certain that further exploration will result in the determination of a Mineral Resource under the “Australian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves, the JORC Code” (JORC 2012). The Exploration Target is not being reported as part of any Mineral Resource or Ore Reserve*

Kidman’s Managing Director Martin Donohue said;

*“The maiden resource has surpassed our early expectations, and is now without a doubt confirmed to be a very large and high grade lithium system, and this is just the tip of the iceberg for Earl Grey. We now have the foundations in place to establish Earl Grey as a major global lithium mine, and we also believe we can do this relatively quickly and at a low-cost.*

*I’d like to congratulate the entire team at Kidman and our consultants for the tremendous effort involved to advance from our discovery hole in mid-July this year to now have the ASX’s largest known hard-rock lithium resource in less than 5 months. This is a tremendous result for all Kidman shareholders.*

*Our drilling has demonstrated that Earl Grey is a globally significant lithium deposit by any standard, and based on recent results, we have a high degree of confidence that the Earl Grey Resource will continue to grow.*

*We are pushing ahead with metallurgical testwork, mine planning and engineering and transport studies as quickly as we can to ensure Kidman is well-placed to capitalise on the strong and growing demand for lithium by off-takers.*

*We are fortunate to have a Granted Mining Licence and extensive infrastructure already in place, and the flexibility to get into early production provided by an option to utilise Poseidon’s nearby 1.5Mtpa Lake Johnston processing plant, for which engineering studies are well advanced.”*

## 2016 Maiden Resource Estimation

Kidman Resources employed the services of mining consultancy company Mining Plus Pty Ltd to undertake the Maiden Resource Estimation for the Earl Grey LCT Pegmatite deposit. The Combined Mineral Resource incorporates all drilling data undertaken by Kidman Resources up to the 23<sup>rd</sup> of October 2016. This drill data was based on 16,806 metres drilled over 97 RC and diamond holes. Kidman Resources, which made the discovery in July this year, has demonstrated that Earl Grey is a globally significant hard-rock lithium deposit.

Mineral Resource Estimate for the Earl Grey Deposit - December, 2016										
Domain	Li <sub>2</sub> O Cut-Off	Indicated			Inferred			Indicated and Inferred		
		Tonnes	Li <sub>2</sub> O%	Li <sub>2</sub> O Tonnes	Tonnes	Li <sub>2</sub> O%	Li <sub>2</sub> O Tonnes	Tonnes	Li <sub>2</sub> O%	Li <sub>2</sub> O Tonnes
HW Lode	0.5%	-	-	-	7,700,000	1.40	108,000	7,700,000	1.40	108,000
Main Lode	0.5%	78,500,000	1.44	1,130,000	35,000,000	1.46	512,000	113,500,000	1.45	1,642,000
FW Lode	0.5%	-	-	-	6,800,000	1.32	90,000	6,800,000	1.32	90,000
Total		78,500,000	1.44	1,130,000	49,500,000	1.43	709,000	128,000,000	1.44	1,839,000

The preceding statements of Mineral Resources conforms to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) 2012 Edition. All tonnages reported are dry metric tonnes. Minor discrepancies may occur due to rounding to appropriate significant figures.

Table 1: Mineral Resource Estimate for the Earl Grey Deposit – December 2016

The Envelope was wire-framed using both geological logging information and assay data for Li<sub>2</sub>O. The Earl Grey Pegmatite has been broken up in to 3 lodes, Hanging wall, Main and Footwall lodes. Figure 2 shows a typical section through the Earl Grey Pegmatite. Table 1 shows the typical distribution of Indicated and Inferred categories and highlights the consistent nature of mineralisation across the deposit.

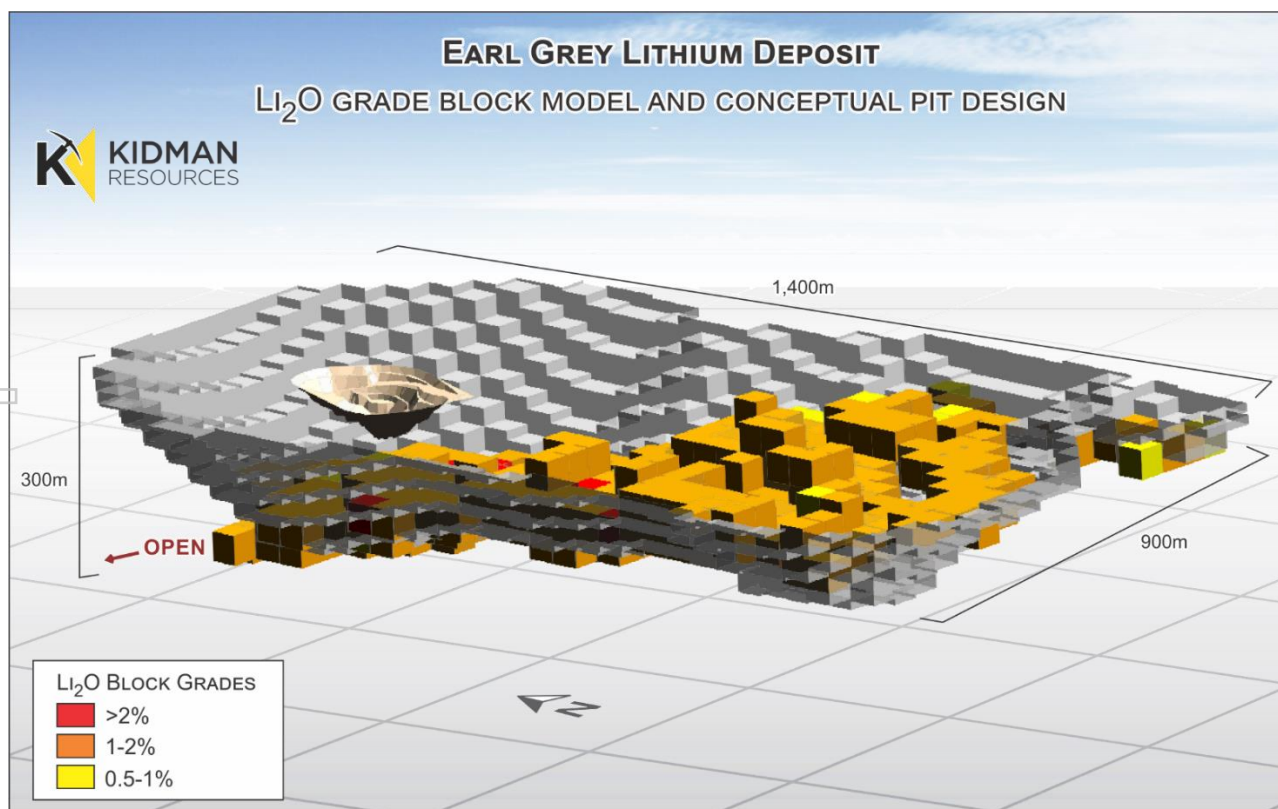


Figure 1: Oblique View of Earl Grey block model and Pit shells looking North East

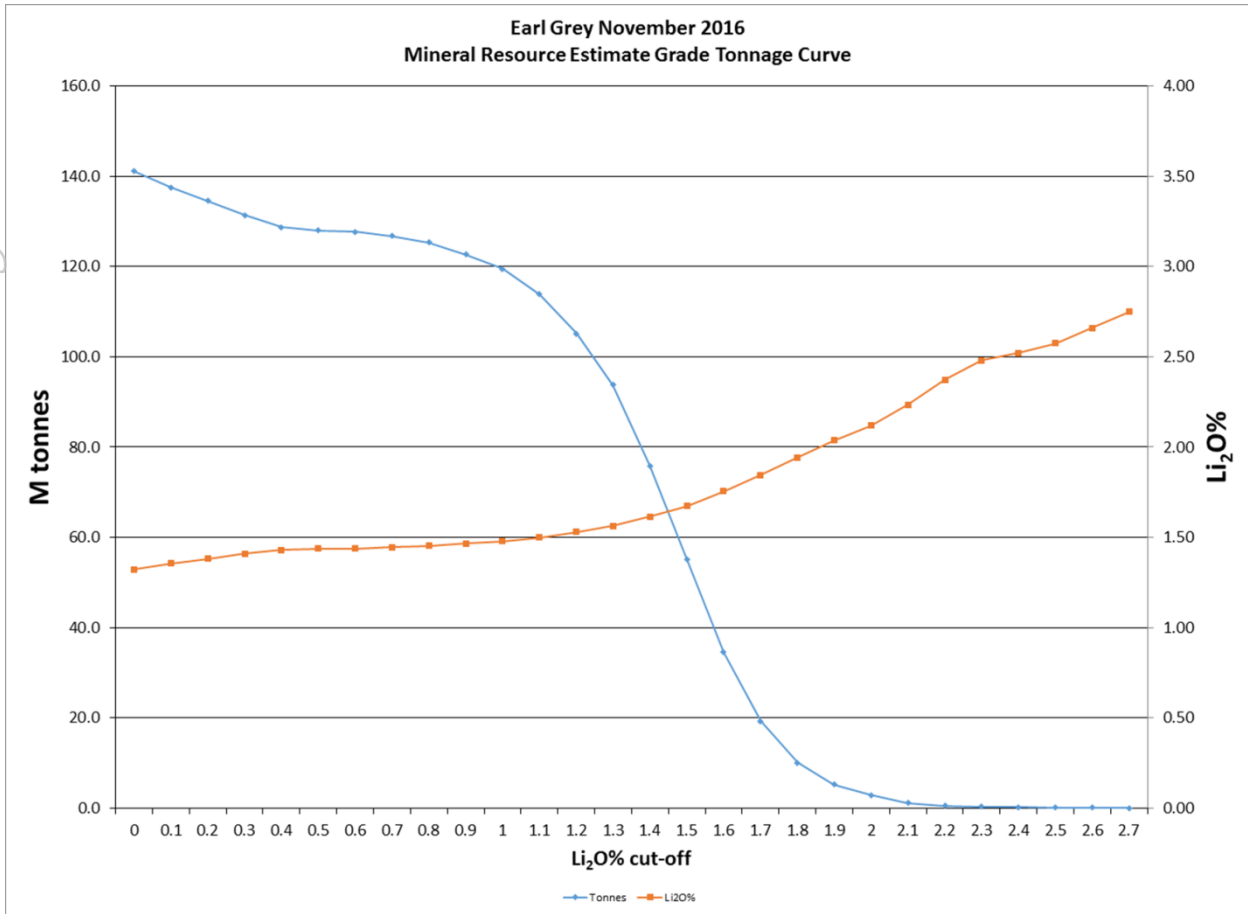


Chart 1: Grade Tonnage curve for Earl Grey Mineral Resource Estimate November 2016

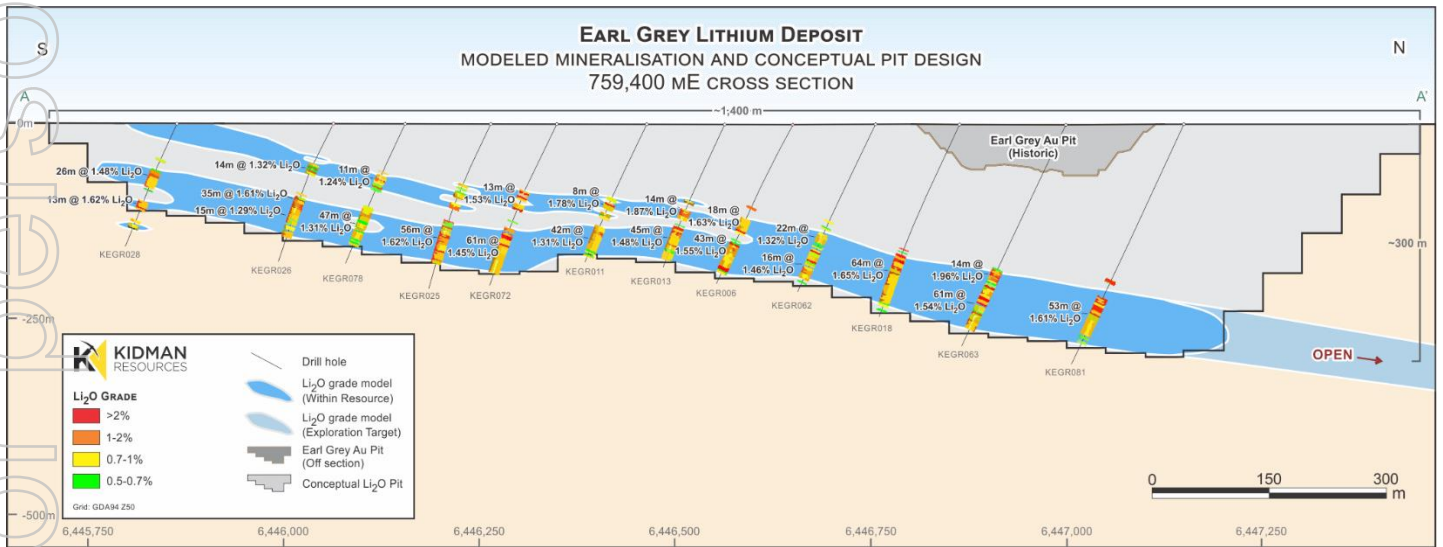


Figure 2: Section of Earl Grey Pegmatite with block model and Pit shells

Details on the estimation, site inspection by the Independent Competent Person and the quality control processes are documented in Appendix 4 (JORC Table 1, sections 1 to 3). Figures 1-3 show the extent and distribution of the Earl Grey pegmatite.

The iron content of the Resource is considered to be a conservative estimate at this time as it is likely artificially elevated by iron contamination caused by wear on drill bits, rod strings and steel containers used to pulverise samples. Some degree of iron contamination is to be expected when drilling highly abrasive material such as the Earl Grey pegmatite, and further work is being undertaken to determine what allowance factor should be applied for iron contamination in subsequent Resource estimates.

Mineral Resource Estimate for the Earl Grey Deposit - December, 2016													
Domain	Li <sub>2</sub> O Cut-Off	Indicated				Inferred				Indicated and Inferred			
		Tonnes	Li <sub>2</sub> O%	Fe <sub>2</sub> O <sub>3</sub> %	Li <sub>2</sub> O Tonnes	Tonnes	Li <sub>2</sub> O%	Fe <sub>2</sub> O <sub>3</sub> %	Li <sub>2</sub> O Tonnes	Tonnes	Li <sub>2</sub> O%	Fe <sub>2</sub> O <sub>3</sub> %	Li <sub>2</sub> O Tonnes
HW Lode	0.5%	-	-	-	-	7,700,000	1.40	1.92	108,000	7,700,000	1.40	1.92	108,000
Main Lode	0.5%	78,500,000	1.44	1.39	1,130,000	35,000,000	1.46	1.45	512,000	113,500,000	1.45	1.41	1,642,000
FW Lode	0.5%	-	-	-	-	6,800,000	1.32	1.60	90,000	6,800,000	1.32	1.60	90,000
Total		78,500,000	1.44	1.39	1,130,000	49,500,000	1.43	1.54	709,000	128,000,000	1.44	1.45	1,839,000

The preceding statements of Mineral Resources conforms to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) 2012 Edition. All tonnages reported are dry metric tonnes. Minor discrepancies may occur due to rounding to appropriate significant figures.

Table 2: Mineral Resource Estimate for the Earl Grey Deposit indicating low Iron Content contained

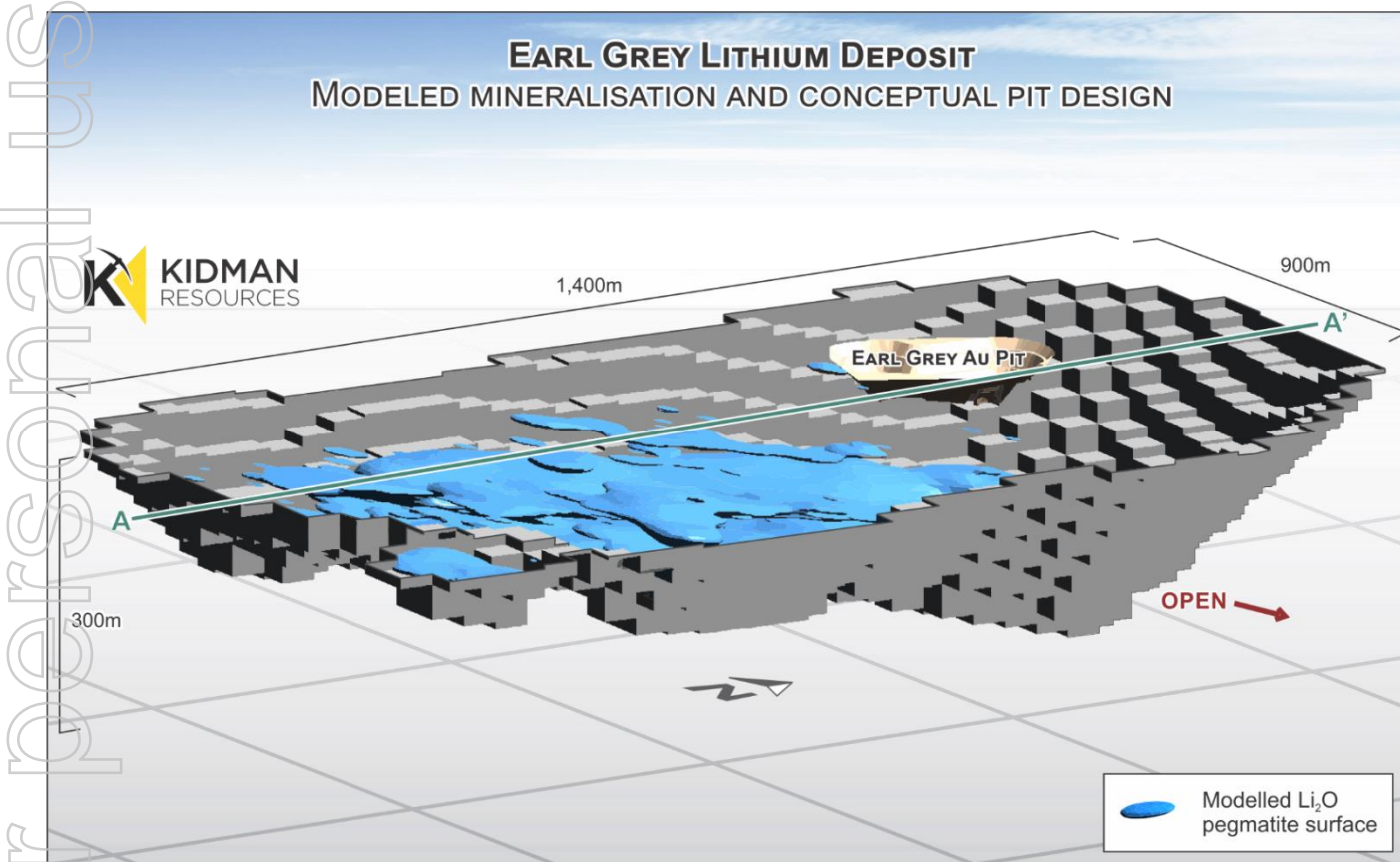


Figure 3: Oblique View of Earl Grey Lithium Bearing pegmatite viewed toward the NE

## Progressing Towards Development

The large scale of the initial Mineral Resource provides strong confidence that Earl Grey is one of the world's largest undeveloped, high grade lithium resources, and with considerable exploration upside, is considered to have a sufficient resource base to sustain a long-life mining operation. To this end, Kidman is committed to advancing towards production as rapidly as possible to sell product into a growing market for spodumene concentrate and other lithium products. As previously reported a number of technical studies are already underway which will form the basis for a Feasibility Study, including metallurgical testwork, engineering studies and transportation studies.

The company also recently announced an exclusive option to utilise the nearby 1.5Mtpa Lake Johnston plant that is owned by Poseidon Nickel Limited and currently on care and maintenance (see ASX announcement dated 16 November 2016).

Kidman's preliminary studies indicate the required plant and tailings storage facility modifications and commissioning would cost in the order of A\$8 million and the Lake Johnston plant is capable of production in the order of 200,000-300,000 tonnes a year of spodumene concentrate grading ~6 per cent  $\text{Li}_2\text{O}$ .

Early production through the Lake Johnston plant is just one avenue available to Kidman. However, the potential to generate revenue sooner from a Direct Shipping Ore ("DSO") should not be ruled out. The high grade nature of Earl Grey lends itself to a DSO operation, and the Company is fielding interest from a number of potential off-take customers, including those with appetite for DSO.

Kidman has already commenced studies that will feed into a more detailed Feasibility Study. This includes; environmental baseline work (flora & fauna surveys, waste characterisation sampling and evaluation & groundwater studies), discussions with Regulators have taken place, a desk top review of all transport options for concentrates including visits to Ports and discussions with companies that can transport & receive concentrates and load ships, preliminary geotechnical assessments and mine planning. More detailed mine planning will now commence this week to develop a possible starter pit and mine schedule. Infrastructure required at site and logistics to support this infrastructure are being compiled. This includes both Mt Holland and Lake Johnston.

Costs, production schedules and engineering studies will be progressively refined as more metallurgical testwork comes to hand and various pit designs are evaluated.

### Metallurgy

Core samples of fresh and weathered mineralisation have been subjected to mineralogy and preliminary metallurgical testing. The metallurgical tests have shown the mineralisation responds to both gravity and flotation methods. The mineralogy, undertaken by Micronalysis Australia Pty Ltd, has confirmed the presence of spodumene (8%  $\text{Li}_2\text{O}$ ) as well as some petalite (4.5%  $\text{Li}_2\text{O}$ ) and minor amounts of eucryptite (11.9%  $\text{Li}_2\text{O}$ ). Additional drilling, sampling and geochemical analysis will now be undertaken to define more closely the zonation of the orebody and the occurrences of the different lithium minerals. A metallurgical programme will be conducted concurrently aimed at a rapid determination of metallurgical response to test the variability of the orebody.

### 2017 Exploration Target

The next phase of drilling planned for Earl Grey includes extension RC and Diamond holes that are designed to target the pegmatite body beneath the historic Earl Grey Gold deposit waste dump as well as the down-dip extent of the pegmatite. This work will continue for the remainder of 2016 and into the 2017 exploration programme.

In light of known extensions to Earl Grey beyond the boundary of the Resource, Kidman has estimated an Exploration Target<sup>1</sup> for the Earl Grey Lithium Project of **75-100 million tonnes at 1.3-1.5% Li<sub>2</sub>O** which is in addition to the defined Resource of 128Mt @ 1.44% Li<sub>2</sub>O (Table 2).

An Exploration Target is conceptual in nature and there has been insufficient exploration to estimate a Mineral Resource that can be reported in accordance with the JORC Code 2012 and it is uncertain if further exploration will result in the Estimation of a Mineral Resource as defined by the JORC Code.

Exploration Target <sup>1</sup>	Tonnes (Mt)	Grade Li <sub>2</sub> O %
Earl Grey Pegmatite	75-100	1.3 - 1.5

*Exploration Target<sup>1</sup>: The potential quantities and grades are conceptual in nature and there has been insufficient exploration to date to define a mineral resource. It is not certain that further exploration will result in the determination of a Mineral Resource under the "Australian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves, the JORC Code" (JORC 2012). The Exploration Target is not being reported as part of any Mineral Resource or Ore Reserve.*

The results (see appendix 1-3) from recently completed drill holes have been integrated into the Maiden Mineral Resource as well as the Exploration Target detailed below. These results within the Exploration Target include **82m @ 1.56% Li<sub>2</sub>O from 264m in KEGR109.**

Drill holes KEGR001 to KEGR097 form the basis of the Maiden Mineral Resource.

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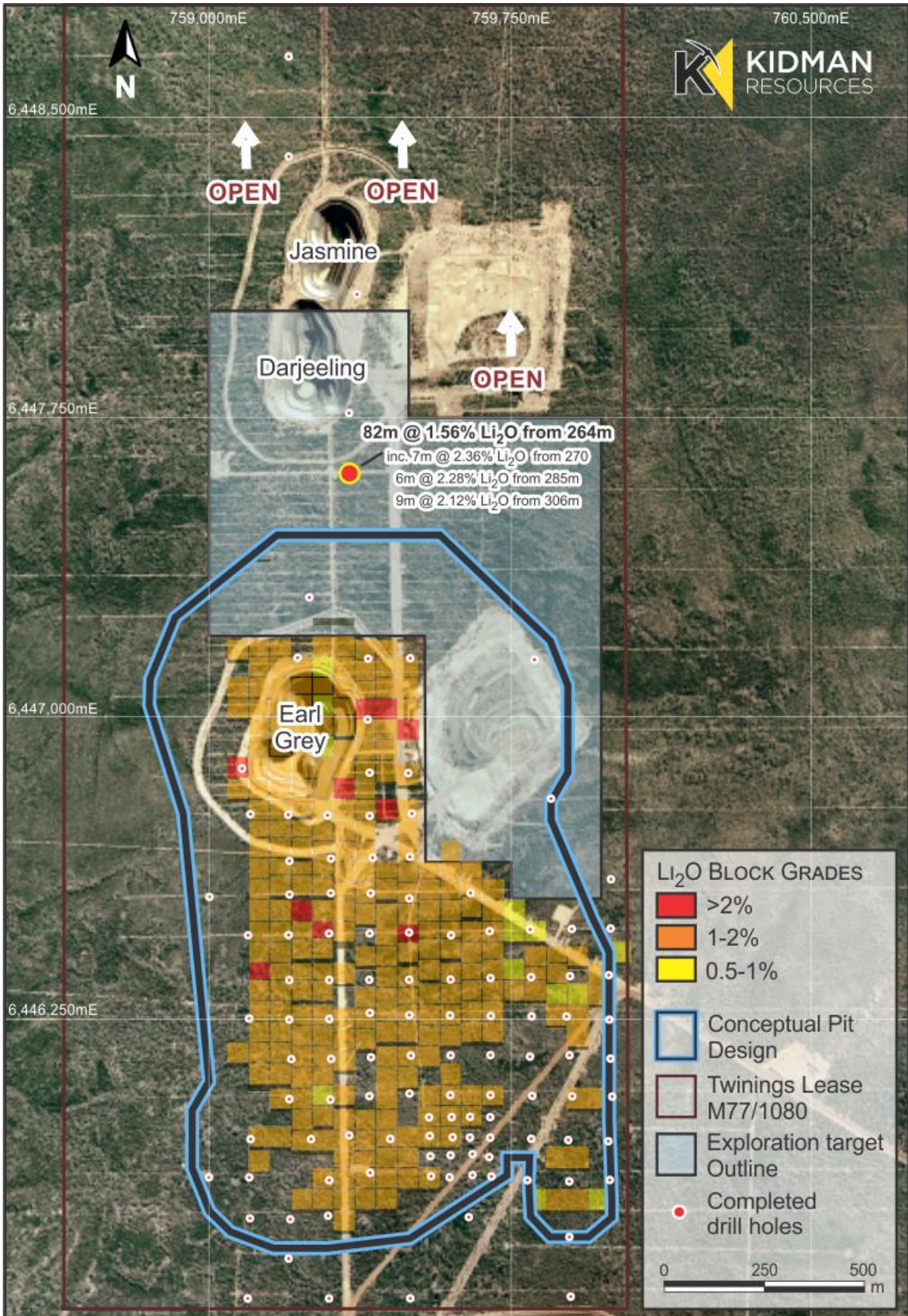


Figure 4: Extensional Drilling to Earl Grey Pegmatite, indicating area for Exploration Target and size of target.



## **Kidman Background**

Kidman is a diversified resource company which owns the Mt Holland lithium and gold project 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 the Burbanks Gold Mine near Coolgardie in WA, and on 22 November 2016 announced that it has signed a binding Heads of Agreement with Resources & Energy Group Limited (REZ) to sell the Burbanks Gold Mine to REZ for \$4.5 million.

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 Crawl 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](http://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 reviewed by Mr L Sawyer M.App.Sc. Mr Sawyer is not an employee of the company, but is employed by Geos Mining as a contract consultant. Mr Sawyer is a member of the Australian Institute of Geoscientists, he has sufficient experience with the style of mineralisation and type of deposit 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 Sawyer consents to the inclusion in this report of the contained technical information in the form and context as 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

#### **Mineral Resource Estimate:**

The information in this release that relates to the Estimation and Reporting of Mineral Resources has been compiled by Mr. David Billington BE (Mining). Mr. Billington is a full-time employee of Mining Plus Pty Ltd and has acted as an independent consultant on the Earl Grey Deposit Mineral Resource estimation. Mr. Billington is a Member of the Australasian Institute of Mining and Metallurgy (109676) and has sufficient experience with the style of mineralisation, deposit type under consideration and to the activities undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code). Mr. Billington consents to the inclusion in this report of the contained technical information relating the Mineral Resource Estimation in the form and context in which it appears.

# Appendix 1

TABLE 1: DRILL HOLE DETAILS

Mt Holland, Western Australia									
Drill Hole	Drill Type	Northing (m) MGA94 Zone 50 S	Easting (m) MGA94 Zone 50 S	AHD RL (m)	Inclination (o)	Azimuth (o)	Pre-collar depth (m)	Total length (m)	Location / Deposit
KEGR001	DD <sup>#</sup>	6447149	759218.2	447.702	-67.13	174.09	-	325.6	Earl Grey
KEGR002	RC	6446758	759194.8	449.145	-65.65	179.7	-	213.5	Earl Grey
KEGR003	DD <sup>#</sup>	6446639	759195.3	449.353	-65.27	181.46	-	229	Earl Grey
KEGR004	DD <sup>#</sup>	6446875	759080.4	451.194	-55	128	-	282.8	Earl Grey
KEGR005	DD <sup>#</sup>	6446558	759197	449.678	-65.36	180.09	-	220.4	Earl Grey
KEGR006	RC	6446650	759404.7	445.446	-65	180	-	218	Earl Grey
KEGR007	DD <sup>#</sup>	6446458	759198.1	449.523	-64.6	181	-	201.9	Earl Grey
KEGR008	RC	6446556	758998.7	453.347	-65.53	178.12	-	253	Earl Grey
KEGR009	RC	6446468	759497.8	444.969	-65.4	178.8	-	214	Earl Grey
KEGR010	RC	6446459	759097.6	450.603	-65	178	-	217	Earl Grey
KEGR011	RC	6446463	759399.2	446.47	-65	181	-	199	Earl Grey
KEGR012	RC	6446467	759296.4	448.008	-65	180	-	199	Earl Grey
KEGR013	RC	6446563	759401.1	445.351	-65	180	-	200	Earl Grey
KEGR014	RC	6446562	759299.7	447.787	-65	182	-	211	Earl Grey
KEGR015	RC	6446648	759300.4	448.025	-65.15	182.47	-	218	Earl Grey
KEGR016	RC	6446655	759497.9	445.546	-65	183	-	245	Earl Grey
KEGR017	RC	6446766	759500.2	444.249	-65	183	-	163	Earl Grey
KEGR018	RC	6446863	759400.1	444.982	-65	180	-	265	Earl Grey
KEGR019	RC	6446760	759099.6	451.153	-65.43	182.38	-	187	Earl Grey
KEGR020	RC	6446760	759300.1	448.55	-64.28	178.14	-	218	Earl Grey
KEGR021	RC	6446471	759799.3	441.797	-65	180	-	223	Earl Grey
KEGR022	RC	6446564	759652.6	443.176	-65	180	-	163	Earl Grey
KEGR023	RC	6446475	759998.8	439.399	-65.4	180.67	-	178	Earl Grey
KEGR024	DD	6445761	759293.8	449.432	-65	180	-	247	Earl Grey
KEGR025	RC	6446264	759397.6	444.929	-65	180	-	225	Earl Grey

Mt Holland, Western Australia

Drill Hole	Drill Type	Northing (m) MGA94 Zone 50 S	Easting (m) MGA94 Zone 50 S	AHD RL (m)	Inclination (o)	Azimuth (o)	Pre-collar depth (m)	Total length (m)	Location / Deposit
KEGR026	RC	6446062	759398.4	444.545	-65	180	-	187	Earl Grey
KEGR027	DD	6445757	759648.1	443.698	-64.81	182.04	-	97.2	Earl Grey
KEGR028	RC	6445864	759400.8	447.116	-65.69	181.83	-	169	Earl Grey
KEGR029	DD	6445859	759650.3	444.433	-65.01	186.75	-	167.9	Earl Grey
KEGR030	RC	6446057	759999.3	440.93	-64	181	-	157	Earl Grey
KEGR031	DD	6445959	759549.2	443.052	-63.75	178.19	-	101	Earl Grey
KEGR032	RC	6446057	759900.6	440.48	-65.17	181.85	-	147	Earl Grey
KEGR033	DD	6446061	759700	441.45	-64.35	181.35	-	106	Earl Grey
KEGR034	RC	6446254	759889.7	441.173	-66.1	181.75	-	168	Earl Grey
KEGR035	DD	6446159	759699.2	442.078	-64.82	183.05	-	60.7	Earl Grey
KEGR036	RC	6446158	759897.6	440.484	-66.02	180.27	-	156	Earl Grey
KEGR037	RC	6445856	759551.4	445.644	-64	180	-	97	Earl Grey
KEGR038	RC	6445854	759598.6	445.061	-65.01	180	-	80	Earl Grey
KEGR039	RC	6445856	759700.8	443.383	-66.5	180	-	78	Earl Grey
KEGR040	RC	6446256	759702.8	443.831	-65.32	176.25	-	133	Earl Grey
KEGR041	RC	6446473	759902.8	440.138	-65.39	180.23	-	204	Earl Grey
KEGR042	RC	6446258	759599.6	443.662	-65	178.45	-	169	Earl Grey
KEGR043	RC	6446356	759898.8	441.329	-65	183.73	-	168	Earl Grey
KEGR044	RC	6445960	759347.8	445.782	-64.55	178.71	-	136	Earl Grey
KEGR045	RC	6446061	759499.8	443.362	-64.43	178.91	-	139	Earl Grey
KEGR046	RC	6446055	759600.3	442.519	-65	178	-	123	Earl Grey
KEGR047	RC	6446464	759698.1	442.884	-67	181	-	187	Earl Grey
KEGR048	RC	6445901	759698.4	442.61	-66.29	180	-	78	Earl Grey
KEGR049	RC	6445913	759654	443.181	-65.69	180	-	100	Earl Grey
KEGR050	RC	6445909	759599.9	443.754	-65.69	180	-	100	Earl Grey
KEGR051	RC	6445908	759549.5	444.639	-65.62	180	-	100	Earl Grey
KEGR052	RC	6446058	759805.2	440.97	-64	178	-	133	Earl Grey
KEGR053	RC	6445949	759697.7	442.212	-65.3	180	-	150	Earl Grey
KEGR054	RC	6445950	759647.7	441.917	-66.36	180	-	114	Earl Grey
KEGR055	RC	6445952	759604.7	442.539	-65.62	180	-	96	Earl Grey

**Mt Holland, Western Australia**

<b>Drill Hole</b>	<b>Drill Type</b>	<b>Northing (m) MGA94 Zone 50 S</b>	<b>Easting (m) MGA94 Zone 50 S</b>	<b>AHD RL (m)</b>	<b>Inclination (o)</b>	<b>Azimuth (o)</b>	<b>Pre-collar depth (m)</b>	<b>Total length (m)</b>	<b>Location / Deposit</b>
KEGR056	RC	6446152	759798.3	441.465	-64	182	-	156	Earl Grey
KEGR057	RC	6446002	759548	442.574	-64.84	180	-	121	Earl Grey
KEGR058	RC	6446007	759598.6	442.067	-64.97	177.31	-	107	Earl Grey
KEGR059	RC	6446005	759647.3	441.611	-64.84	178.02	-	97	Earl Grey
KEGR060	RC	6446002	759699.3	441.06	-64.65	181.19	-	85	Earl Grey
KEGR061	RC	6446458	759601.8	443.656	-66.73	173.88	-	202	Earl Grey
KEGR062	RC	6446755	759401.4	445.675	-65.08	180	-	234	Earl Grey
KEGR063	RC	6446999	759398.3	445.026	-65.69	180	-	312	Earl Grey
KEGR064	RC	6446861	759499.9	443.772	-65.99	180	-	312	Earl Grey
KEGR066	RC	6447149	759500.9	444.084	-65.68	180	-	352	Earl Grey
KEGR067	RC	6446357	760001.8	440.001	-65.96	179.85	-	181	Earl Grey
KEGR068	RC	6446354	759801.3	441.947	-67.91	183.44	-	187	Earl Grey
KEGR069	RC	6446348	759698.2	443.444	-65.78	181.69	-	166	Earl Grey
KEGR070	RC	6446347	759598.3	444.003	-66.38	187.28	-	187	Earl Grey
KEGR071	RC	6446345	759499.9	444.77	-65.9	178.1	-	196	Earl Grey
KEGR072	RC	6446347	759399	445.806	-66.19	180.35	-	221	Earl Grey
KEGR073	RC	6446346	759298.4	446.933	-66.17	182.76	-	199	Earl Grey
KEGR074	RC	6446148	759998.7	439.411	-64.95	179.82	-	156	Earl Grey
KEGR075	RC	6446246	759999.6	439.201	-64.87	178.85	-	153	Earl Grey
KEGR076	RC	6446157	759597.5	442.747	-64.5	180.79	-	140	Earl Grey
KEGR077	RC	6446156	759505	443.399	-65.08	179.45	-	181	Earl Grey
KEGR078	RC	6446154	759399.6	444.382	-65.49	181.08	-	191	Earl Grey
KEGR079	RC	6446147	759300.8	445.568	-64.93	179.53	-	181	Earl Grey
KEGR080	RC	6446147	759200.4	446.736	-63.82	180	-	169	Earl Grey
KEGR081	RC	6447150	759400.9	445.038	-64.65	180	-	336	Earl Grey
KEGR082	RC	6446248	759300.1	445.495	-65.48	180.13	-	199	Earl Grey
KEGR083	RC	6446247	759198.8	446.634	-64.41	181.23	-	175	Earl Grey
KEGR084	RC	6446258	759497.8	444.382	-64.72	180.03	-	197	Earl Grey
KEGR085	RC	6446253	759797.5	442.477	-65.05	180.13	-	189	Earl Grey
KEGR086	RC	6446549	759499.9	444.385	-65.47	180	-	204	Earl Grey

## Mt Holland, Western Australia

Drill Hole	Drill Type	Northing (m) MGA94 Zone 50 S	Easting (m) MGA94 Zone 50 S	AHD RL (m)	Inclination (o)	Azimuth (o)	Pre-collar depth (m)	Total length (m)	Location / Deposit
KEGR087	RC	6446345	759197.8	448.435	-66.46	180	-	180	Earl Grey
KEGR088	RC	6446047	759300.8	446.029	-65.29	178.75	-	193	Earl Grey
KEGR089	RC	6446049	759197.8	448.468	-65.25	177.31	-	193	Earl Grey
KEGR090	RC	6445948	759249.1	447.096	-64	181	-	205	Earl Grey
KEGR091	RC	6445949	759452.2	444.339	-65.67	179.47	-	180	Earl Grey
KEGR092	RC	6445849	759999.9	438.693	-66.96	180	-	120	Earl Grey
KEGR093	RC	6445947	759995	441.04	-67.52	180	-	150	Earl Grey
KEGR094	RC	6445847	759300	449.114	-65.18	185.54	-	181	Earl Grey
KEGR095	RC	6445848	759796.7	440.795	-66.28	180	-	100	Earl Grey
KEGR096	RC	6445840	759896	439.159	-65.93	180	-	100	Earl Grey
KEGR097	RC	6445947	759894.3	440.182	-66.96	180	-	150	Earl Grey
KEGR109*	RC	6447300	759250	450	-66.61	180	-	350	Earl Grey
KEGR110*	RC	6445750	759200	450	-66.32	180	-	200	Earl Grey
KEGR111*	RC	6445750	759100	450	-66.8	180	-	200	Earl Grey

\* Not surveyed, co-ordinates measured by hand held GPS only.

# includes reverse circulation (RC) pre-collar drilling, followed by diamond core drilling (DDH) to final depth.

## Appendix 2

### TABLE 2: SAMPLE INTERVAL ANALYSIS RESULTS

\*Table displayed over the following 14 pages.

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Table with columns: Hole ID, Sample No., Depth From (m), Depth To (m), Primary Lithology, Secondary Lithology, Element Unit Symbol, Analysis Method, Lower Detection Limit, Upper Detection Limit, Recvd Wt. kg WEI-21, Au ppm Au-AA26, Al2O3 %, As %, Be ppm ME-ICP89, CaO %, Co %, Cr2O3 %, Cu %, Fe2O3 %, K2O %, Li2O %, MgO %, MnO %, Ni %, Pb %, S %, SiO2 %, TiO2 %, Zn %, Cs ppm ME-MS91, Nb ppm ME-MS91, Rb ppm ME-MS91, Sm ppm ME-MS91, Ta ppm ME-MS91, Th ppm ME-MS91, U ppm ME-MS91, Pass% Sum % PUL-QC 0.01.

















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Table with columns: Hole ID, Sample No., Depth From (m), Depth To (m), Primary Lithology Geology logs, Secondary Lithology Geology logs, Element Unit Symbol, Analysis Method, Lower Detection Limit, Upper Detection Limit, Recvd Wt. kg WEI-21, Au ppm Au-AA26, Al2O3 %, As % ME-ICP89, Be ppm ME-ICP89, CaO % ME-ICP89, Co % ME-ICP89, Cr2O3 %, Cu % ME-ICP89, Fe2O3 %, K2O %, Li2O %, MgO %, MnO %, Ni %, Pb %, S %, SiO2 %, TiO2 %, Zn %, Cs ppm ME-MSS1, Nb ppm ME-MSS1, Rb ppm ME-MSS1, Sm ppm ME-MSS1, Ta ppm ME-MSS1, Th ppm ME-MSS1, U ppm ME-MSS1, Pass% Sum % PUL-QC 0.01.



















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Table with columns: Hole ID, Sample No., Depth From (m), Depth To (m), Primary Lithology, Secondary Lithology, Element Unit Symbol, Analysis Method, Lower Detection Limit, Upper Detection Limit, Recvd Wt. kg WEI-21, Au ppm Au-AA26, Al2O3 % ME-ICP89, As % ME-ICP89, Be ppm ME-ICP89, CaO % ME-ICP89, Co % ME-ICP89, Cr2O3 % ME-ICP89, Cu % ME-ICP89, Fe2O3 % ME-ICP89, K2O % ME-ICP89, Li2O % ME-ICP89, MgO % ME-ICP89, MnO % ME-ICP89, Ni % ME-ICP89, Pb % ME-ICP89, S % ME-ICP89, SiO2 % ME-ICP89, TiO2 % ME-ICP89, Zn % ME-ICP89, Cs ppm ME-MSS1, Nb ppm ME-MSS1, Rb ppm ME-MSS1, Sn ppm ME-MSS1, Ta ppm ME-MSS1, Th ppm ME-MSS1, U ppm ME-MSS1, Pass% Sum % PUL-QC 0.01

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Table with columns: Hole ID, Sample No., Depth From (m), Depth To (m), Primary Lithology, Secondary Lithology, Element Unit Symbol, Analysis Method, and various chemical elements (Recvd Wt., Au, Al2O3, As, Be, CaO, Co, Cr2O3, Cu, Fe2O3, K2O, Li2O, MgO, MnO, Ni, Pb, S, SiO2, TiO2, Zn, Cs, Nb, Rb, Sn, Ta, Th, U, Pass7Sum % PUL-QC). The table contains 44 rows of data for samples MHG20352 through MHG20404.

## Appendix 3

TABLE 3: WEIGHTED GRADE INTERCEPTS FOR REPORTED DRILL HOLES (0.5% Li<sub>2</sub>O CUT-OFF)

Earl Grey Pegmatite Intersections; Mt Holland Project, Western Australia										
Drill Hole	Mineralised interval (m)	Weighted Grade Li <sub>2</sub> O %	Down Hole Depth From (m)	Down Hole Depth To (m)	Included Interval				Drill Type	Year
					Mineralised Interval (m)	Weighted Grade Li <sub>2</sub> O %	Down Hole Depth From (m)	Down Hole Depth To (m)		
KEGR027	13	0.50	15	27					DDH	2016
KEGR062	2	0.80	136	138					RC	2016
	11	1.22	156	167						
	2	1.02	172	174						
	22	1.32	177	199						
	16	1.46	201	217	5	2.09	204	209		
KEGR064	11	1.56	159	170					RC	2016
	24	1.70	177	201	10	2.01	177	187		
					7	1.95	191	198		
	5	0.85	243	248	2	2.32	79	81		
KEGR071	10	1.36	273	283					RC	2016
	9	1.22	74	83						
	2	1.63	89	91						
	5	1.61	94	99	2	2.13	96	98		
	2	1.69	109	111						
	52	1.53	134	186	2	2.12	142	144		
					8	1.95	149	157		
					2	2.32	170	172		
3					2.26	180	183			
5	1.59	189	194							
KEGR072	13	1.53	93	106	5	2.00	93	98	RC	2016
					2	2.16	101	103		
	8	1.66	111	119	2	2.48	117	119		
	1	1.14	134	135						
	5	1.62	144	149	3	2.06	146	149		
	53	1.75	151	204	8	2.59	151	159		
					2	3.07	166	168		
3					2.06	185	188			

**Earl Grey Pegmatite Intersections; Mt Holland Project, Western Australia**

Drill Hole	Mineralised interval (m)	Weighted Grade Li <sub>2</sub> O %	Down Hole Depth From (m)	Down Hole Depth To (m)	Included Interval				Drill Type	Year
					Mineralised Interval (m)	Weighted Grade Li <sub>2</sub> O %	Down Hole Depth From (m)	Down Hole Depth To (m)		
KEGR073	8	1.43	62	70					RC	2016
	4	1.59	73	77						
	75	1.72	88	163	4	2.23	93	97		
					3	2.01	112	115		
					2	2.30	119	121		
					5	2.24	126	131		
					2	2.11	139	141		
9	2.06	152	161							
KEGR074	5	0.62	25	30					RC	2016
	4	0.61	60	64						
	17	0.63	84	101						
	4	1.13	130	134						
	2	1.00	147	149						
KEGR076	3	1.43	58	61					RC	2016
	2	0.98	64	66						
	2	1.24	72	74						
	4	1.52	76	80						
	38	1.56	82	120						
KEGR077	5	1.31	50	55					RC	2016
	4	1.18	58	62						
	3	1.25	66	69						
	3	1.64	100	103						
	44	1.52	107	151	4	1.98	108	112		
					2	2.13	120	122		
KEGR078	11	1.24	70	81					RC	2016
	5	1.31	83	88						
	3	0.94	114	117						
	47	1.13	119	166						
KEGR079	10	1.55	89	99					RC	2016
	4	1.12	106	110						
	34	1.45	118	152	5	2.13	122	127		
	7	1.14	156	163						
KEGR082	3	1.47	77	80					RC	2016

**Earl Grey Pegmatite Intersections; Mt Holland Project, Western Australia**

Drill Hole	Mineralised interval (m)	Weighted Grade Li <sub>2</sub> O %	Down Hole Depth From (m)	Down Hole Depth To (m)	Included Interval				Drill Type	Year
					Mineralised Interval (m)	Weighted Grade Li <sub>2</sub> O %	Down Hole Depth From (m)	Down Hole Depth To (m)		
	4	1.33	94	98						
	41	1.25	108	149	10	1.94	109	119		
KEGR083	51	1.61	64	115	4	1.90	67	71	RC	2016
					2	2.25	80	82		
					5	2.00	89	94		
					3	2.03	99	102		
					3	2.30	110	113		
	5	1.70	118	123						
	21	1.62	126	147						
KEGR084	5	1.65	58	63					RC	2016
	9	1.26	69	78						
	2	0.97	90	92						
	12	1.33	116	128						
	17	1.28	131	148	3	1.92	137	140		
KEGR085	3	1.31	35	38					RC	2016
	4	0.93	43	47						
	1	1.01	49	50						
	1	1.25	55	56						
	22	0.5	76	98						
	22	1.26	137	159	3	1.99	139	142		
KEGR086	13	1.87	107	120	4	2.08	107	111	RC	2016
	14	1.63	134	148						
	18	1.36	156	174	4	1.99	161	165		
	3	1.40	175	178						
	12	1.67	180	192	2	2.07	185	187		
KEGR087	88	1.70	73	161	2	2.13	75	77	RC	2016
					3	2.13	88	91		
					12	2.23	96	108		
					4	2.11	119	123		
					4	1.95	126	130		
					12	2.14	145	157		
KEGR088	12	1.27	66	78					RC	2016
	28	1.62	108	136	4	1.98	111	115		

**Earl Grey Pegmatite Intersections; Mt Holland Project, Western Australia**

Drill Hole	Mineralised interval (m)	Weighted Grade Li <sub>2</sub> O %	Down Hole Depth From (m)	Down Hole Depth To (m)	Included Interval				Drill Type	Year
					Mineralised Interval (m)	Weighted Grade Li <sub>2</sub> O %	Down Hole Depth From (m)	Down Hole Depth To (m)		
	12	1.31	140	152						
	4	1.06	162	166						
KEGR089	12	1.31	76	88					RC	2016
	2	1.62	89	91						
	11	1.55	93	104						
	5	1.24	105	110						
	26	1.66	142	168	4	2.19	143	147		
					4	2.34	163	167		
KEGR090	8	1.29	56	64	4	1.95	59	63	RC	2016
	3	1.24	82	85						
	21	0.85	92	113						
	4	1.33	140	144						
	16	1.26	154	170						
	9	1.08	172	181						
KEGR091	40	1.43	64	104	3	2.42	67	70	RC	2016
					4	1.92	85	89		
					3	1.96	97	100		
	3	1.43	106	109						
	3	1.08	111	114						
					3	2.06	118	121		
KEGR092	2	0.9	59	61					RC	2016
	6	0.55	67	73						
KEGR093	4	0.53	35	39					RC	2016
	12	1.44	82	94						
KEGR094	8	1.26	75	83					RC	2016
	7	1.06	86	93						
	12	1.42	153	165						
KEGR095	2	0.7	65	67					RC	2016
KEGR096	24	1.08	56	80					RC	2016
KEGR097	11	1.16	61	72	3	2.01	69	72	RC	2016
	2	0.67	88	90						
	11	1.53	93	104						
	3	0.72	119	122						



**Earl Grey Pegmatite Intersections; Mt Holland Project, Western Australia**

Drill Hole	Mineralised interval (m)	Weighted Grade Li <sub>2</sub> O %	Down Hole Depth From (m)	Down Hole Depth To (m)	Included Interval				Drill Type	Year
					Mineralised Interval (m)	Weighted Grade Li <sub>2</sub> O %	Down Hole Depth From (m)	Down Hole Depth To (m)		
	2	1.09	129	131						
KEGR109	4	1.90	232	236					RC	2016
	2	2.98	238	240						
	82	1.56	264	346	2	2.18	264	266		
					7	2.36	270	277		
					6	2.28	285	291		
					9	2.12	306	315		
					4	2.16	328	332		
					4	2.07	342	346		
KEGR110	3	0.78	69	72					RC	2016
	4	0.63	75	79						
KEGR111	2	0.98	79	81					RC	2016
KEGR016	11	1.41	127	138	5	1.30	127 <sup>#</sup>	132 <sup>#</sup>	RC	2016
KEGR024*	10.3	0.75	171.7	182.1					DDH	2016
	4.8	0.64	207.2	212						

<sup>#</sup> Bottom part of extra interval length sampled, KEGR016 previously reported in ASX Announcement 11 Oct 2016

\* KEGR024 previously reported in ASX Announcement 03 Oct 2016

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# Appendix 4

## JORC Code, 2012, Table 1

### SECTION 1 SAMPLING TECHNIQUES AND DATA

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>In cases where 'industry standard' work has been done this would be relatively simple (e.g. '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.</li> </ul>	<ul style="list-style-type: none"> <li>This table relates to recent results from recently completed drill holes. Additionally, the information continues to relate to surface drill holes KEGR001 to KEGR061 which have been outlined in preceding releases.</li> <li>Drill holes KEGR001 to KEGR097 are the basis of the resource estimation modelling (Section 3).</li> <li>The drill holes listed below are the latest available information from the exploration campaign at Earl Grey Deposit (refer Figures 1 to 4 in text) undertaken by KDR at the Mt Holland project. Earl Grey is 3km north-northwest of Bounty Gold Mine.</li> <li>Recently completed surface reverse circulation (RC) drill holes are; KEGR062, KEGR064, KEGR071, KEGR072, KEGR073, KEGR074, KEGR076, KEGR077, KEGR078, KEGR079, KEGR082, KEGR083, KEGR084, KEGR085, KEGR086, KEGR086, KEGR088, KEGR089, KEGR090, KEGR091, KEGR092, KEGR093, KEGR094, KEGR095, KEGR096, KEGR097, KEGR109, KEGR110, KEGR111, KEGR027, KEGR016; Appendix 1. Plus drill core from diamond drill hole (DDH) KEGR024.</li> <li>All drill holes target spodumene bearing pegmatite identified from historical mining operations and reported outcrop.</li> <li>All drill holes reported to date, including those within this announcement, Appendix 1, have had sample intervals selected from them by KDR personnel (KDR); on average over 1m intervals, based on return interval and geological logging</li> <li>Selected core sample intervals from cored holes (refer to Appendix 1 and reported previously) were taken from the core trays by lengthwise half core cutting method as per industry standard practice.</li> <li>Selected spoil sample intervals from reverse circulation drill holes (refer to Appendix 1 and reported previously) including the top RC drilled portion of diamond core holes were taken from the spoil bags by cone and quarter method as per industry standard practice for the other drill holes.</li> <li>Samples were selected on a basis of pegmatite intersection and notable spodumene occurrence, or other notable geological feature and hence are not an unbiased sample.</li> <li>Samples were forwarded to certified laboratory for analysis where they were weighed, crushed, reweighed, pulverised and split to produce a ~200g pulp subsample to use in the assay process.</li> <li>4284 samples from the recently completed drill holes (Appendix1) were assayed by inductively coupled plasma mass spectrometry (ICP) or mass spectrometry (MS) and indicated in the heading of Appendix 2.             <ul style="list-style-type: none"> <li>41 duplicate samples were in evidence within the reported sampled intervals.</li> <li>39 check/standard samples were in evidence within the reported sampled intervals.</li> </ul> </li> </ul>
<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li>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).</li> </ul>	<ul style="list-style-type: none"> <li>Reverse circulation drilled holes (Appendix 1 or Sampling Techniques) were drilled by RC technique at a standard RC drilling diameter (92mm – 132mm).</li> <li>Drill hole KEGR024 were drilled by RC for the first 6 metres pre-collar as per industry standard practice. From the end of the pre-collar RC drilling to the end of the hole was drilled by DDH method using a standard NQ2 (47.6mm) diameter core technique as per industry standard practice.</li> </ul>
<b>Drill sample recovery</b>	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Recoveries for RC pre-collar and RC drill holes are not apparent, however are expected to be 70-90% in this geological / geomorphological setting.</li> <li>Recoveries for the DDH drill core are in the order of 95-100%.</li> <li>Recoveries are notably less where shear zones or other structural disruptions have been intersected.</li> </ul>

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<p><b>Logging</b></p>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>• The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>• All drill holes were geologically logged and recorded within a database by KDR.</li> <li>• Selected sampled intervals from the reported drill holes have been logged and compiled into a database.</li> <li>• Both quantitative and qualitative geological information captured by KDR was imported and consolidated into a database, for interpretation, analysis, and verification purposes.</li> <li>• All drill hole data includes:             <ul style="list-style-type: none"> <li>○ Geological logging over geological and alteration basis, dependent on observed changes for various parameters (e.g. lithology, mineralogy, weathering, structural occurrence, etc.)</li> <li>○ Drill core intervals were also logged on a geotechnical basis and a few structural orientation measurements recorded.</li> <li>○ Drill core was routinely photographed on core tray basis.</li> </ul> </li> <li>• The geological logging is compiled with appropriate attention to detail.</li> <li>• High level of standard practice is apparent in the detail of the logging by KDR.</li> <li>• The database has hence been used for interpretation, geological and resource modelling purposes.</li> </ul>
<p><b>Sub-sampling techniques and sample preparation</b></p>	<ul style="list-style-type: none"> <li>• If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>• If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>• For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>• Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>• 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.</li> <li>• Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <li>• Select sample intervals were sub-sampled on a near to 1 meter basis within geological boundaries. Interval samples of less than 1m are restricted by geological, alteration or other notable feature boundary.</li> <li>• Core samples were marked up prior to logging and sampling as per standard industry practice.</li> <li>• The core samples selected were cut lengthwise by diamond blade saw to give two half core lengths, this is normal industry practice.</li> <li>• One half of the selected core sample was collected and bagged, marked up and forwarded to a laboratory for analysis. The remainder of the sample length split samples have been retained.</li> <li>• Spoil bags selected from RC holes for sampling were cone and quarter split, with ¼ of the split being bagged as the sample for analysis. It is standard industry practice to either retain a ¼ split for future studies and or to retain a chip tray of the spoils for future viewing.</li> <li>• A total of 4,284 samples were collected from a total drilled length of 5,859m.</li> <li>• The NATA accredited laboratory is registered to ISO 9001:2008 chemical analyses standards. They use industry best practice in the sample preparation facility and within the laboratory.</li> <li>• The sample preparation procedure used includes the following:             <ul style="list-style-type: none"> <li>○ Sort all samples and note any discrepancies to the submittal form</li> <li>○ Record a received weight (WEI-21) for each sample,</li> <li>○ Crush samples to 6mm nominal (CRU-21),</li> <li>○ Record a crushed samples weight,</li> <li>○ Split any samples &gt;3.2Kg using a riffle splitter (SPL-21),</li> <li>○ Generate internal laboratory duplicates for nominated samples, assigning a 'D' suffix to the sample number,</li> <li>○ Pulverise samples in LM5 pulveriser until grind size passes 90% passing 75µm (PUL-23),</li> <li>○ Check pulverise size on 1:20 wet screen (PUL-QC),</li> <li>○ Take ~ 100g work master pulp for 0.2g sample for sodium pentoxide fusion with ICP-OES or ICP_MS finish.</li> </ul> </li> <li>• The elements the samples were assayed for in the laboratory are: Al<sub>2</sub>O<sub>3</sub>, As, CaO, Co, Cr<sub>2</sub>O<sub>3</sub>, Cu, Fe<sub>2</sub>O<sub>3</sub>, K<sub>2</sub>O, Li<sub>2</sub>O, MgO, MnO, Ni, Pb, S, SiO<sub>2</sub>, TiO<sub>2</sub>, Zn, Cs, Nb, Rb, Sn, Ta, Th, and U; plus for select sections; Au.</li> <li>• The code for the used laboratory method, the method units of measure, limits of detection are shown in Table 2, Appendix 2.</li> </ul>
<p><b>Quality of assay data and laboratory tests</b></p>	<ul style="list-style-type: none"> <li>• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>• 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.</li> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• For the all samples reported the elemental concentrations has been determined as per the outline in the proceeding item. Those results for the current completed drill holes are listed in Appendix 2.</li> <li>• No down hole geophysical survey results are reported.</li> <li>• Limited field QAQC has been supplied by KDR for the reported intervals.</li> <li>• 4,284 samples were assayed by inductively coupled plasma mass spectrometry (ICP) or mass spectrometry (MS) from the recently completed drilling and the elements assayed are indicated in the heading of Appendix 2.</li> <li>• Including 148 duplicate samples were submitted for the reported sampled intervals. This is 3.5% of the total number of samples, representing a ratio of</li> </ul>

		<ul style="list-style-type: none"> <li>approximately 1 duplicate sample in every 27 samples.</li> <li>A further included 112 check / standard samples were submitted for the reported sampled intervals. This is 2.6% of the total number of samples, representing a ratio of approximately 1 check/standard sample in every 36 samples.</li> <li>Overall field duplicates comprise 3.5% of the total sampling, representing 1 duplicate for every 29 samples. Included standards or check samples comprise 3.2% of the total sample, or 1 standard sample in every 32 samples.</li> <li>QAQC is also reliant upon high standard laboratory practice and supply of laboratory internal QAQC data.</li> </ul>
<b>Verification of sampling and assaying</b>	<ul style="list-style-type: none"> <li><i>The verification of significant intersections by either independent or alternative company personnel.</i></li> <li><i>The use of twinned holes.</i></li> <li><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></li> <li><i>Discuss any adjustment to assay data.</i></li> </ul>	<ul style="list-style-type: none"> <li>As far as the technical expert is aware no historical drill holes have been specifically twinned by KDR.</li> <li>Industry standard practice is assumed for activities which occurred prior to KDR.</li> <li>Primary historical data and any re-logging / new sampling data have been compiled into the KDR database. This database has undergone a process of on-going validation, evaluation and consolidation by KDR. This standard practice and is expected to continue to/be develop/developed as the project progresses.</li> <li>The technical expert (TE) has requested and received a number of extracts from the database and a copy of the database, these have been cross referenced to requested laboratory certificates as part of the TE audit process, no major discrepancies or inconsistencies have been noted.</li> <li>No adjustments or calibrations to the original assay data have been made, all original data is maintained within the database.</li> <li>All reported intercept intervals (Appendix 3) are normalised to the sample interval – weighted average method. These have been audited and compiled by the independent technical expert.</li> </ul>
<b>Location of data points</b>	<ul style="list-style-type: none"> <li><i>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.</i></li> <li><i>Specification of the grid system used.</i></li> <li><i>Quality and adequacy of topographic control.</i></li> </ul>	<ul style="list-style-type: none"> <li>All co-ordinates are MGA94 zone 50S grid datum.</li> <li>Vertical regional level (RL) is assumed to be Australian height datum (AHD) level as the drill holes have an average RL of 445m whilst a local topographic peak at Mount Holland is 473m above sea level.</li> <li>The drill holes location points were surveyed by hand held GPS initially.</li> <li>Re-survey of the drill hole collar co-ordinates was undertaken by KDR for holes KEGR001 to KEGR097 by a subcontractor using survey industry standard differential GPS technique. The co-ordinates given in Appendix 1 are understood by the technical expert to be re-survey co-ordinates.</li> </ul>
<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li><i>Data spacing for reporting of Exploration Results.</i></li> <li><i>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.</i></li> <li><i>Whether sample compositing has been applied.</i></li> </ul>	<ul style="list-style-type: none"> <li>The reported results are based on selective sampling of target identified core and spoil samples (spodumene bearing pegmatite) from completed drill holes being reported (refer to Appendix 1) at Earl Grey Gold Deposit.</li> <li>Samples were selected on a basis of pegmatite occurrence and high visual spodumene occurrence, hence are not an unbiased sample. Though this is common practice for such type of deposit.</li> <li>The recent spacing of the drill holes being reported (refer to figure 1-4, Appendix 1 and Appendix 2) alone are not sufficient to establish a high degree of geological and grade continuity appropriate for Mineral Resource and Ore Reserve reporting.</li> <li>Combined with all previous drilling results (refer to preceding KDR announcements covering drill holes KEGR001 to KEGR061) at Earl Grey Deposit to date; a higher degree of geological control, continuity and confidence is gained enabling maiden resource modelling and definition to be undertaken.</li> <li>All reported intervals (within text and Appendix 3 for recently completed drill hole results) are weighted average grades over the summed thicknesses, this is normal industry practice.</li> <li>Historical and previous KDR drill hole data and surface mapping indicates a high number of pegmatite intersections within the Mt Holland Project leases (refer to ASX Announcement 21 September 2016) and occurrences in application E77/2244 to the north. It is not known if these holes mineralised.</li> </ul>
<b>Orientation of data in relation to geological structure</b>	<ul style="list-style-type: none"> <li><i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></li> <li><i>If the relationship between the drilling orientation and the orientation of key mineralised structures</i></li> </ul>	<ul style="list-style-type: none"> <li>The orientation and other locality details of the recently completed drill holes mentioned in this announcement are given in Appendix 1.</li> <li>The orientation of the drill holes in relation to the pegmatites sampled, as interpreted by KDR, are shown on the sections Figures 1 to Figure 4 .</li> </ul>

	<p><i>is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></p>	<ul style="list-style-type: none"> <li>Initial geological modelling indicates the majority of drill holes intersected the pegmatite at relatively acute angles (less than 90°), and therefore the intersect length is not considered a representations of the pegmatite true thickness.</li> <li>True thickness is estimated from the drill holes angle of repose (inclination) and the intersected pegmatite interval; this continues to gives an estimated true thickness of 40-80m, dependent upon the drill hole in review.</li> <li>Discussions with KDR personnel indicated that in the main pegmatite has a gentle north-westerly dip (Figure 1 to Figure 4 in text) in the drilled section but steepens with depth below the Earl Grey pit area.</li> <li>However elsewhere in the Mount Holland Project there are other pegmatite occurrences which appear to be southeast dipping and others which are near vertical.</li> <li>The pegmatites can be truncated by east – northeast trending fracture (fault?) zones.</li> <li>Relationship of the pegmatites and local or regional structures has not been fully established.</li> <li>Pegmatites may intrude along fracture zones, the control for pegmatite intrusion orientation has not been fully determined.</li> <li>Several occurrences of shallow angle outward trending narrow extensions (apophysis) from the main pegmatite have been noted in the drilling. These are variably mineralised with spodumene. These may affect mine planning and resource modelling/estimation.</li> </ul>
<b>Sample security</b>	<ul style="list-style-type: none"> <li><i>The measures taken to ensure sample security.</i></li> </ul>	<ul style="list-style-type: none"> <li>Sample chain of custody is managed by KDR via batch sheets and/or computerised batch files, as well as email trail between KDR, transporters and laboratory.</li> <li>Samples were collected and stored on site prior to delivery to the laboratory in Perth by KDR personnel.</li> <li>Whilst in storage samples are kept in a locked yard.</li> <li>Tracking sheets/files are used to track the progress of batches of samples.</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li><i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>	<ul style="list-style-type: none"> <li>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.</li> <li>Further application of industry best practice in applying statistically valid number of field duplicates and field standards within intervals of high interest as indicated by TE has been addressed as part of the ongoing sampling programme.</li> <li>Recording of LOI from sample analyses has also been recommended to be included in all sample results.</li> <li>Discussions regarding drilling / sampling methods and procedures have been on-going throughout the drilling programme between KDR and TE. The TE has been satisfied with KDR response to enquiries and the level of work being conducted.</li> </ul>

## SECTION 2 REPORTING OF EXPLORATION RESULTS

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

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>KDR has acquired the Mt Holland package of tenements.</li> <li>M77/1080 is a granted mining lease covering 897.8 Ha held by Montague Resources Australia Pty Ltd, it was granted on 19 May 2004 for a period of 21 years. Earl Grey pegmatite deposit lies wholly with M77/1080.</li> <li>During March quarter 2016, KDR entered a binding Heads of Agreement to acquire MH Gold Pty Ltd, the owner of the Mt Holland gold project group of tenements. Settlement commenced in June 2016 and completed in July 2016, and there are conditions subsequent regarding the dismissal of certain forfeiture claims.</li> <li>KDR has established that the tenements are in good standing, and the forfeiture claims remain pending over a portion of the tenement package.</li> <li>Separately, a claim has been made by Marindi Metals in the WA Supreme Court that Kidman and Marindi formed an agreement to sell the lithium rights at the Mt Holland project to Marindi. KDR is of the view that Marindi's claim is without merit and therefore does not represent an impediment to title.</li> <li>Application E77/2244 is pending grant.</li> <li>No cultural heritage issues have been reported.</li> </ul>
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>Potential first recognised in 1980 by Harmark – Au and Ni</li> <li>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.</li> <li>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.</li> <li>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.</li> <li>In 1989 mining of the Bounty pit started.</li> <li>The total ore mined from the Bounty, West and North Bounty pits was 640,000t @ 5.55g/t Au or 114,000oz Au.</li> <li>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.</li> <li>In 1997 Forrestania drilled a number of holes to the east of the pit to test for potential nickel mineralisation.</li> <li>No known previous exploration focussed on lithium.</li> </ul>
<b>Geology</b>	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<p><u>Regional Geology</u></p> <ul style="list-style-type: none"> <li>N-S trending linear greenstone stratigraphy</li> <li>E-W cross-cutting Proterozoic dykes</li> <li>Alternating peridotitic and basaltic komatiites to the east, overlain by sheared and brecciated metasediment, which in turn has a sheared upper contact with the overlying dolerite.</li> <li>Intrude by granite to the east and west.</li> <li>Within the Mt Holland District three basic varieties of pegmatite have been recognised historically;</li> <li>Complex zoned pegmatite containing spodumene and albite in addition to coarse perthite and quartz,</li> <li>Albitic aplite rich in black tourmaline and commonly containing cassiterite,</li> <li>Coarse cleavelanditic albite veins with minor apatite and spodumene</li> </ul> <p><u>Local Geology</u></p> <ul style="list-style-type: none"> <li>The geology of the Twinings lease is composed of a north-south trending Archaean greenstone association of mafic and ultramafic rocks with minor intercalated metasedimentary rocks likely of exhalative origin. The Twinings gold mineralisation is largely restricted to the complexly deformed sedimentary rocks, and tend to occur within sulphidic zones.</li> <li>Pegmatite sills intrude shallowly north dipping fractures zones that cross cut the N-S stratigraphy and stope out the gold mineralisation. Lithium-bearing minerals in the pegmatites are dominantly spodumene and petalite, with trace eucryptite also noted in petrology. The geochemistry</li> </ul>

		<p>of the pegmatites is indicative of a highly fractionated lithium-caesium-tantalum (LCT) type. Zonation and fractionation trends within the Mt Holland pegmatites is not fully understood, and has not been investigated by specific studies.</p> <ul style="list-style-type: none"> <li>The Archaean stratigraphy is also cross cut by several narrow east-west trending Proterozoic dolerite dykes, with the larger 280m wide Binneringie dyke occurring at the south of the tenement boundary</li> </ul>
<b>Drillhole Information</b>	<ul style="list-style-type: none"> <li>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: <ul style="list-style-type: none"> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole</li> <li>down hole length and interception depth</li> <li>hole length.</li> </ul> </li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Details of the recently completed drill holes being reported are listed in Appendix 1.</li> <li>The interception depths of the pegmatite intervals for the recently completed drill holes are given in Appendix 2.</li> <li>All previous drill holes (KEGR001 - KEGR061) at Earl Grey pegmatite deposit have been outlined in preceding announcements, as listed in "Other substantive exploration data" section below.</li> <li>All horizontal co-ordinates are MGA94 zone 50S grid datum.</li> <li>Vertical regional level (RL) is assumed to be Australian height datum (AHD) level as the drill holes have an average RL of 445m whilst a local topographic peak at Mount Holland is 473m above sea level.</li> <li>The drill holes location points were surveyed by hand held GPS initially.</li> <li>Re-survey of the drill hole collar co-ordinates was undertaken by KDR for holes KEGR001 to KEGR097 by a subcontractor using survey industry standard differential GPS technique. The co-ordinates given in Appendix 1 are understood by the technical expert to be re-survey co-ordinates.</li> </ul>
<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated</li> </ul>	<ul style="list-style-type: none"> <li>Sample intervals selected (Table 2 – Appendix 2) are based on 1m lengths.</li> <li>RC drill holes are logged and generally sampled on a 1m return of drill spoils basis.</li> <li>For assay results greater than (&gt;) 1% Li<sub>2</sub>O a weighted average result has been reported:</li> <li>The assay results are weighted averaged to the individual sample lengths over the combined interval.</li> <li>No metal equivalent has been used.</li> <li>No top cut has been applied.</li> </ul>
<b>Relationship between mineralisation widths and intercept lengths</b>	<ul style="list-style-type: none"> <li>These relationships are particularly important in the reporting of Exploration Results.</li> <li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>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')..</li> </ul>	<ul style="list-style-type: none"> <li>The relationship between sample interval lengths to the pegmatite orientation and drill core orientation has not been fully noted. However the inclination of the drill to the opposing dipping trend of the pegmatite implies that the drill sample length of 1 m is less than 1m vertical distance.</li> <li>Sample intervals are restricted by geological contacts and changes where applicable.</li> <li>Initial modelling indicates the drill holes intersect pegmatite at acute angles.</li> <li>Interpretation shown in Figure1-5 indicates drill holes intersect the pegmatite at acute angles and do not reflect true thickness over the pegmatite in the logged intersects.</li> <li>Pegmatite true thickness intersection is estimated at s 40 – 80 m in length from the reported drill holes.</li> <li>Work to define the continued trend and variability of the pegmatite is ongoing.</li> </ul>
<b>Diagrams</b>	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Diagrams of the location of the drill holes have been provided in Figure 1-4.</li> </ul>
<b>Balanced reporting</b>	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>The current results reported constitute all known results for lithium mineralisation within pegmatite intersected by the most recent completed drill holes reported in Appendix 1 at Earl Grey Deposit.</li> <li>All sample assay results to date for the pegmatite intersection in drill holes listed in Appendix 1 are reported in Appendix 2.</li> <li>Appendix 3 is a summary of the announced weighted average lithium mineralisation intersections from the drilling (refer Appendix 1) in this announcement, at Earl Grey Deposit.</li> </ul>
<b>Other substantive exploration data</b>	<ul style="list-style-type: none"> <li>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..</li> </ul>	<ul style="list-style-type: none"> <li>The preliminary results being reported for the recently completed drill holes alone are sufficient in numbers to enable a preliminary geological interpretation only of the pegmatite section drilled by these holes.</li> <li>The recent spacing of the recently completed drill holes being reported (Appendix 1 and Appendix 2) alone are not sufficient to establish a high degree of geological and grade continuity appropriate for Mineral Resource and Ore Reserve reporting.</li> </ul>

		<ul style="list-style-type: none"> <li>Combined with all previous drilling results (refer to preceding KDR announcements (refer to section: <i>Other substantive exploration data</i>) covering drill holes KEGR001 to KEGR061) at Earl Grey Deposit to date; a higher degree of geological control, continuity and confidence is gained; enabling maiden resource modelling and definition to be undertaken.</li> <li>Systematic sampling and multi element assaying of the pegmatites has not historically been conducted and has only been commenced by KDR within the past year.</li> </ul>
<b>Further work</b>	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>Any further sampling of spodumene pegmatite intersection from drill holes from within the Mount Holland Project (including Earl Grey Deposit) undertaken by KDR will be reported in accordance with reporting standards.</li> <li>Results of analyses of samples outstanding, pending or future will be reported in accordance to the 2012 JORC Code.</li> <li>No bulk density samples have been reported to the technical expert during exploration work. Test work is underway and results will be released when available. This is currently underway with all diamond drilling to be tested every 5 metres across all geological units.</li> <li>Continued project-wide geological review and database consolidation is expected to assist in locating further historically mapped pegmatites and or other pegmatites not previously identified.</li> <li>This work has been and is part of continued and ongoing work aimed at improving the geological knowledge, mineralogy and geochemistry of the mineralised pegmatite at Earl Grey Deposit and establishing a maiden resource.</li> <li>The recent results confirm earlier results for selected reverse circulation drill holes which were drilled into the pegmatite at Earl Grey (ASX Announcement 15<sup>th</sup> July 2015) and are additional to the KDR drill programme results reported in ASX Announcement 2 September 2016, ASX Announcement 21 September 2016, ASX Announcement 03 October 2016, ASX Announcement 10 October 2016, ASX Announcement 28 October 2016 and ASX Announcement 08 November 2016.</li> <li>All results from drill holes KEGR001 to KEGR097 at Earl Grey pegmatite deposit have been used in geological and resource modelling.</li> </ul>

### SECTION 3 ESTIMATION AND REPORTING OF MINERAL RESOURCES

Criteria	JORC Code explanation	Commentary
<b>Database integrity</b>	<ul style="list-style-type: none"> <li>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.</li> <li>Data validation procedures used.</li> </ul>	<ul style="list-style-type: none"> <li>The geological logging and sampling information is loaded and stored into a referential SQL database by Colwyn Lloyd of Geobase.</li> <li>Import validation protocols are in place. Database validation checks are run routinely on the database.</li> </ul>
<b>Site visits</b>	<ul style="list-style-type: none"> <li>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</li> <li>If no site visits have been undertaken indicate why this is the case.</li> </ul>	<ul style="list-style-type: none"> <li>Lisa Bascombe and David Billington of MP undertook a site visit on the 9th and 10th of November 2016 in order to review the drilling, sampling and logging practices employed by Kidman and to view the geology as evident in the drill core.</li> <li>Not applicable</li> </ul>
<b>Geological interpretation</b>	<ul style="list-style-type: none"> <li>Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.</li> <li>Nature of the data used and of any assumptions made.</li> <li>The effect, if any, of alternative interpretations on Mineral Resource estimation.</li> <li>The use of geology in guiding and controlling Mineral Resource estimation.</li> <li>The factors affecting continuity both of grade and geology.</li> </ul>	<ul style="list-style-type: none"> <li>The geological interpretation is considered robust due to the nature of the geology and mineralisation.</li> <li>Surface diamond and reverse circulation (RC) drillholes have been logged for lithology, structure, alteration and mineralisation data. The lithological logging of pegmatite has been used to generate the geological models in LeapFrog. Li<sub>2</sub>O % grade shells have been generated in LeapFrog using a 0.5 Li<sub>2</sub>O% indicator and iso value of 50% for the HW, Main and FW pegmatites. The primary assumption is that the mineralisation is hosted within structurally controlled pegmatite sills, which is considered robust. Wireframes have been extrapolated approximately half section spacing between mineralised and unmineralised intercepts.</li> <li>Weathering surfaces have been generated in LeapFrog from geological logging data.</li> <li>Due to the consistent nature of the pegmatite identified in the area, no alternative interpretations have been considered.</li> <li>The Li<sub>2</sub>O % mineralisation interpretation is contained wholly within the pegmatite geological unit. Evidence of late stage faulting or folding is present; however the exact nature of the structural events in the area is yet to be determined and as such have not been incorporated into the geological model.</li> <li>The pegmatites are found to be continuous over the length of the deposit. Li<sub>2</sub>O % mineralisation within the pegmatite is thought to be</li> </ul>



		zoned, affecting the grade continuity. Evidence of faulting or folding is present but is yet to be fully determined.
<b>Dimensions</b>	<ul style="list-style-type: none"> <li>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</li> </ul>	<ul style="list-style-type: none"> <li>The Earl Grey pegmatites strike east-west and are typically 900 m wide, and dip north at around 15° over 1,400 m. The HW and Main pegmatites outcrop at surface and all three pegmatites display geological continuity to 300 m depth from surface at the northern end of the deposit. The Main pegmatite body varies in thickness from 15m to 50 m over the length of the deposit.</li> </ul>
<b>Estimation and modelling techniques</b>	<ul style="list-style-type: none"> <li>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.</li> <li>The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.</li> <li>The assumptions made regarding recovery of by-products.</li> <li>Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).</li> <li>In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.</li> <li>Any assumptions behind modelling of selective mining units.</li> <li>Any assumptions about correlation between variables</li> <li>Description of how the geological interpretation was used to control the resource estimates.</li> <li>Discussion of basis for using or not using grade cutting or capping.</li> <li>The process of validation, the checking process used, the comparison of model data to drillhole data, and use of reconciliation data if available.</li> </ul>	<ul style="list-style-type: none"> <li>Grade estimation of Li<sub>2</sub>O %, Fe<sub>2</sub>O<sub>3</sub>%, Ta ppm, Th ppm and U ppm has been completed using Ordinary Kriging (OK) into 12 pegmatite domains using Maptek Vulcan 9.1 software. Grade estimation of Fe<sub>2</sub>O<sub>3</sub>%, S%, Th ppm and U ppm has been completed using Ordinary Kriging (OK) into the encapsulating mafic waste. Compositing has been undertaken within domain boundaries at 1m with a variable length of 0.1m. Top-cutting of S% has been undertaken in 5 pegmatite domains and 2 mafic waste domains. Top-cutting of Ta ppm and Th ppm has been undertaken in 2 mafic waste domains. Variography has been completed in Supervisor 8.6 software on a domain basis where enough data is present. Domains with too few samples have borrowed variography.</li> <li>No previous Mineral Resource estimates exist for Earl Grey. The Mineral Resource estimate has been validated using visual validation tools combined with volume comparisons with the input wireframes, mean grade comparisons between the block model and declustered composite grade means and swath plots comparing the declustered composite grades and block model grades by Northing, Easting and RL.</li> <li>No assumptions have been made regarding recovery of any by-products.</li> <li>S% has been estimated in the lateritic, saprolitic and fresh mafic waste for the purposes of acid mine drainage characterisation. Th ppm and U ppm have been estimated in order to determine potential concentration grades in the process plant in either the concentrate or tails. The drillhole data spacing is typically 100 m by 100 m with a small area of infill drilling at 50 m by 50 m. The block model parent block size is 50 m (X) by 50 m (Y) by 5 m (Z). A sub-block size of 6.25 m (X) by 6.25 m (Y) by 0.625 m (Z) has been used to define the mineralisation edges, with the estimation undertaken at the parent block scale. <ul style="list-style-type: none"> <li>Pass 1 estimations have been undertaken using a minimum of 8 and a maximum of 35 samples into a search ellipse of varying sizes by domain. A sample per drillhole limit has been applied in all domains and ranges from 3 to 5 depending on the domain.</li> <li>Pass 2 estimations have been undertaken using a minimum of 8 and a maximum of 35 samples into a search ellipse 50% larger than the pass 1 ellipse in all 3 directions. A sample per drillhole limit has been applied in all domains and ranges from 3 to 5 depending on the domain.</li> <li>Pass 3 estimations have been undertaken using a minimum of 4 and a maximum of 35 samples into the same search ellipse as pass 2. No sample per drillhole limit has been applied.</li> </ul> </li> <li>HG yields, employed to reduce the spatial influence of high grade samples, have been applied to the estimation of 1 pegmatite domain for Li<sub>2</sub>O %, 2 pegmatite domains for Fe<sub>2</sub>O<sub>3</sub>%, and 1 pegmatite domain for Th ppm and U ppm. The search ellipses and variographic rotation applied during the estimation of the Main pegmatite domain blocks has been determined from a simplified Main pegmatite HW surface using the dynamic anisotropy function in Maptek Vulcan v9.1 (LVA).</li> <li>No selective mining units are assumed in this estimate.</li> <li>No correlation between variables has been assumed.</li> <li>The geological, mineralisation and weathering wireframes generated within LeapFrog have been used to define the domain codes by concatenating the three codes into one. The drillholes have been flagged with the domain code and composited using the domain code to segregate the data. Four mineralised pegmatite domains, 8 unmineralised pegmatite domains and 4 mafic waste domains have been defined. Hard boundaries have been used at all domain boundaries.</li> <li>The fresh mafic waste domain has been further sub-domained into 3 S% domains and 2 Fe<sub>2</sub>O<sub>3</sub>% domains.</li> <li>The influence of extreme sample distribution outliers has been reduced by top-cutting where required. The top-cut levels have been determined using a combination of histograms, log probability and mean variance plots. Top-cuts have been reviewed and applied on a domain by domain basis.</li> <li>Top-cutting of S% has been undertaken in 2 mineralised pegmatite domains, 3 unmineralised pegmatite domains and 2 mafic waste domains.</li> <li>Top-cutting of Ta ppm and Th ppm has been undertaken in 2 mafic waste domains.</li> <li>Model validation has been carried out, including visual comparison between de-clustered composites and estimated blocks; check for negative or absent grades; statistical comparison against the input drillhole data and graphical plots.</li> </ul>

<p><b>Moisture</b></p>	<ul style="list-style-type: none"> <li>Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.</li> </ul>	<ul style="list-style-type: none"> <li>The tonnes have been estimated on a dry basis.</li> </ul>																								
<p><b>Cut-off parameters</b></p>	<ul style="list-style-type: none"> <li>The basis of the adopted cut-off grade(s) or quality parameters applied</li> </ul>	<ul style="list-style-type: none"> <li>For the reporting of the Mineral Resource Estimate, a 0.5 Li<sub>2</sub>O% cut-off within a Whittle pit shell has been used.</li> </ul>																								
<p><b>Mining factors or assumptions</b></p>	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>A whittle pit optimisation has been run in order to generate a pit shell wireframe for reporting purposes. The mining assumptions/parameters applied to the optimisation are <ul style="list-style-type: none"> <li>Mining Recovery – 95%</li> <li>Mining Dilution – 5%</li> <li>Mining Cost/tonne – AUD\$3</li> <li>Processing Cost/tonne – AUD\$36</li> <li>Transport Cost/tonne – AUD\$90</li> <li>Li<sub>2</sub>O Price/tonne – AUD\$464</li> </ul> </li> </ul>																								
<p><b>Metallurgical factors or assumptions</b></p>	<ul style="list-style-type: none"> <li>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 the basis of the metallurgical assumptions made.</li> </ul>	<ul style="list-style-type: none"> <li>A Li<sub>2</sub>O% metallurgical recovery of 70% has been applied during the pit optimisation and generation of the pit shell.</li> </ul>																								
<p><b>Environmental factors or assumptions</b></p>	<ul style="list-style-type: none"> <li>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</li> </ul>	<ul style="list-style-type: none"> <li>Acid mine drainage characterisation test work is currently underway with preliminary indications suggesting little or no problematic waste material is likely to be encountered; however a nominal value for PAF waste encapsulation has been included in the mining cost.</li> </ul>																								
<p><b>Bulk density</b></p>	<ul style="list-style-type: none"> <li>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.</li> <li>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,</li> <li>Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.</li> </ul>	<ul style="list-style-type: none"> <li>Bulk density values have been calculated from 566 measurements collected on site using the water immersion method. Data has been separated into lithological and weathering datasets and mean density values derived. Densities have been assigned to the soil/laterite material and to the waste dump fill material due to a lack of data.</li> </ul> <table border="1" data-bbox="842 1666 1441 2011"> <thead> <tr> <th>Lithology / Weathering</th> <th>Number of samples</th> <th>Mean density</th> </tr> </thead> <tbody> <tr> <td>waste dump fill</td> <td>assigned</td> <td>2.00</td> </tr> <tr> <td>soil/laterite</td> <td>assigned</td> <td>1.80</td> </tr> <tr> <td>Mafic/Ultramafic saprolite</td> <td>44</td> <td>2.20</td> </tr> <tr> <td>Mafic/Ultramafic fresh</td> <td>245</td> <td>2.95</td> </tr> <tr> <td>Pegmatite soil/laterite</td> <td>assigned</td> <td>1.80</td> </tr> <tr> <td>Pegmatite saprolite</td> <td>31</td> <td>2.40</td> </tr> <tr> <td>Pegmatite fresh</td> <td>246</td> <td>2.60</td> </tr> </tbody> </table>	Lithology / Weathering	Number of samples	Mean density	waste dump fill	assigned	2.00	soil/laterite	assigned	1.80	Mafic/Ultramafic saprolite	44	2.20	Mafic/Ultramafic fresh	245	2.95	Pegmatite soil/laterite	assigned	1.80	Pegmatite saprolite	31	2.40	Pegmatite fresh	246	2.60
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<b>Classification</b>	<ul style="list-style-type: none"> <li>The basis for the classification of the Mineral Resources into varying confidence categories</li> <li>Whether appropriate account has been taken of all relevant factors (i.e. 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).</li> <li>Whether the result appropriately reflects the Competent Person's view of the deposit.</li> </ul>	<ul style="list-style-type: none"> <li>The resource classification has been applied to the MR estimate based on the drilling data spacing, grade and geological continuity, and data integrity.</li> <li>The classification takes into account the relative contributions of geological and data quality and confidence, as well as grade confidence and continuity.</li> <li>The classification reflects the view of the Competent Person.</li> </ul>																
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>The results of any audits or reviews of Mineral Resource estimates.</li> </ul>	<ul style="list-style-type: none"> <li>This Mineral Resource estimate for Earl Grey has not been audited by an external party.</li> </ul>																
<b>Discussion of relative accuracy/confidence</b>	<ul style="list-style-type: none"> <li>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</li> <li>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</li> <li>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available</li> </ul>	<ul style="list-style-type: none"> <li>The relative accuracy of the Mineral Resource estimate is reflected in the reporting of the Mineral Resource as per the guidelines of the 2012 JORC Code.</li> <li>The statement relates to a local estimate of tonnes and grade within the pit shell at a cut-off of 0.5 Li<sub>2</sub>O%.</li> </ul> <table border="1" data-bbox="863 833 1422 1032"> <thead> <tr> <th>Classification</th> <th>Tonnes</th> <th>Li<sub>2</sub>O%</th> <th>Fe<sub>2</sub>O<sub>3</sub>%</th> </tr> </thead> <tbody> <tr> <td>Indicated</td> <td>78,500,000</td> <td>1.44</td> <td>1.39</td> </tr> <tr> <td>Inferred</td> <td>49,500,000</td> <td>1.43</td> <td>1.54</td> </tr> <tr> <td><b>TOTAL</b></td> <td><b>128,000,000</b></td> <td><b>1.44</b></td> <td><b>1.45</b></td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>Optimisation parameters and factors are - <ul style="list-style-type: none"> <li>Mining Recovery – 95%</li> <li>Mining Dilution – 5%</li> <li>Mining Cost/tonne – AUD\$3</li> <li>Processing Cost/tonne – AUD\$36</li> <li>Transport Cost/tonne – AUD\$90</li> <li>Li<sub>2</sub>O Price/tonne – AUD\$464</li> <li>Li<sub>2</sub>O Metallurgical Recovery – 70%</li> </ul> </li> <li>No production records exist</li> </ul>	Classification	Tonnes	Li <sub>2</sub> O%	Fe <sub>2</sub> O <sub>3</sub> %	Indicated	78,500,000	1.44	1.39	Inferred	49,500,000	1.43	1.54	<b>TOTAL</b>	<b>128,000,000</b>	<b>1.44</b>	<b>1.45</b>
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