ASX/Media Release

(ASX: MZN)

27th March 2017

Marindi Metals Ltd
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Australia

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Issued Capital:

1,327m fully paid ordinary shares,

64m unlisted options Ex. 2.5c Expiring 31 December 2019

Update on drilling at Gem Pegmatite, Forrestania Lithium Project

Marindi Metals Limited (ASX: MZN; "Marindi") advises the market of the results of the first phase (a total of 13 holes) of follow up reverse circulation drilling at the Gem Mining Lease.

Two holes were drilled to test the down dip extent of the mineralisation previously intercepted in hole GPRC06 which returned 33m @ 3.14% Li_2O (ASX announcement dated 28th December 2016). Both holes intersected pegmatite, with hole GPRC26 intersecting 8m @ 1.24% Li_2O from 103m including **4m at 2.09%** Li_2O from 107m. GPRC27, a deeper hole on the same section, intersected two zones of pegmatitic material from 111-115m and 130-138m which contained anomalous but low grade mineralisation (see below, cross section 26080N and the drill table attached.

	From	To	M	Li_2O	Fe_2O_3
GPRC26	103	111	8	1.24	0.77
Incl.	107	111	4	2.09	0.73
Incl.	107	108	1	3.8	0.52

The results confirm the initial interpretation of a sub-vertical dip (ASX announcement 20th December 2016). It appears that the original hole GPRC06 was drilled at a shallow angle to the dip of the pegmatite resulting in an exaggerated down hole intersection; the true width of this intersection is now estimated to be a maximum of 10m. At this location the pegmatite has been now drilled to a vertical depth of approximately 120m but the lack of significant mineralisation down dip in hole GPRC27 indicates the mineralisation may have some structural or primary zonation control which is not evident at this stage.

Another eleven holes have intersected pegmatite of variable thickness, dip and strike further complicated by an east-west trending Proterozoic dyke. No significant assays have been recorded. See Table 2.

Representative samples from all lithium bearing intersections were submitted for analysis by X-ray Diffraction (XRD) these results were not received at the time of this release.

The second stage of the follow up drilling program is scheduled for completion at the end of March.

The two stage follow up drilling program has been compromised by Program of Work (POW) access restrictions, poor outcrop and deep weathering. The full potential of the Gem Mining Lease will not be realised until the entire program is complete and all assay results received and interpreted.

Regional Exploration

The first of seven Exploration Licence applications within the Forrestania Lithium Project (EL74/592) has been granted with the remainder expected to be granted within the next few months. Upon grant a first pass soil sampling program to test known pegmatites is planned. The Company continues to increase its footprint in the area and recently applied for EL15/1565 on the neighbouring Johnson Lake greenstone belt where open file data indicates the presence of Li bearing pegmatites.

Kidman Claim

The Company confirms that Supreme Court of Western Australian sponsored mediation is set down for April 18.

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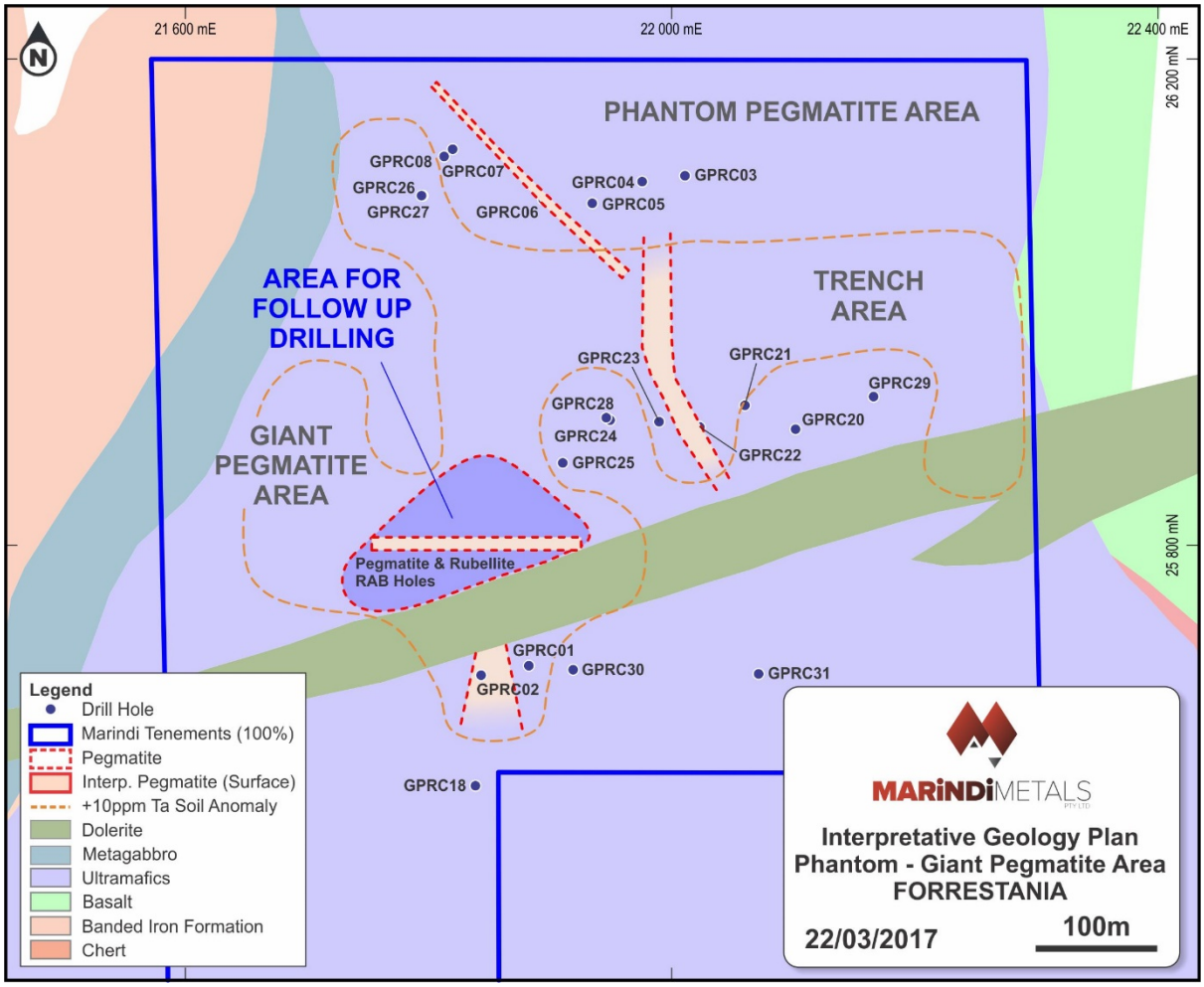
Competent Persons Statement

Information in this release that relates to Exploration Results is based on information prepared by Mr Joseph Treacy a Member of the Australasian Institution of Mining and Metallurgy and the Australian Institute of Geoscientists Mt Treacy is the Managing Director of Marindi Metals Ltd, a full time employee and shareholder. Mr Treacy has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activities being 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". Mr Treacy consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.



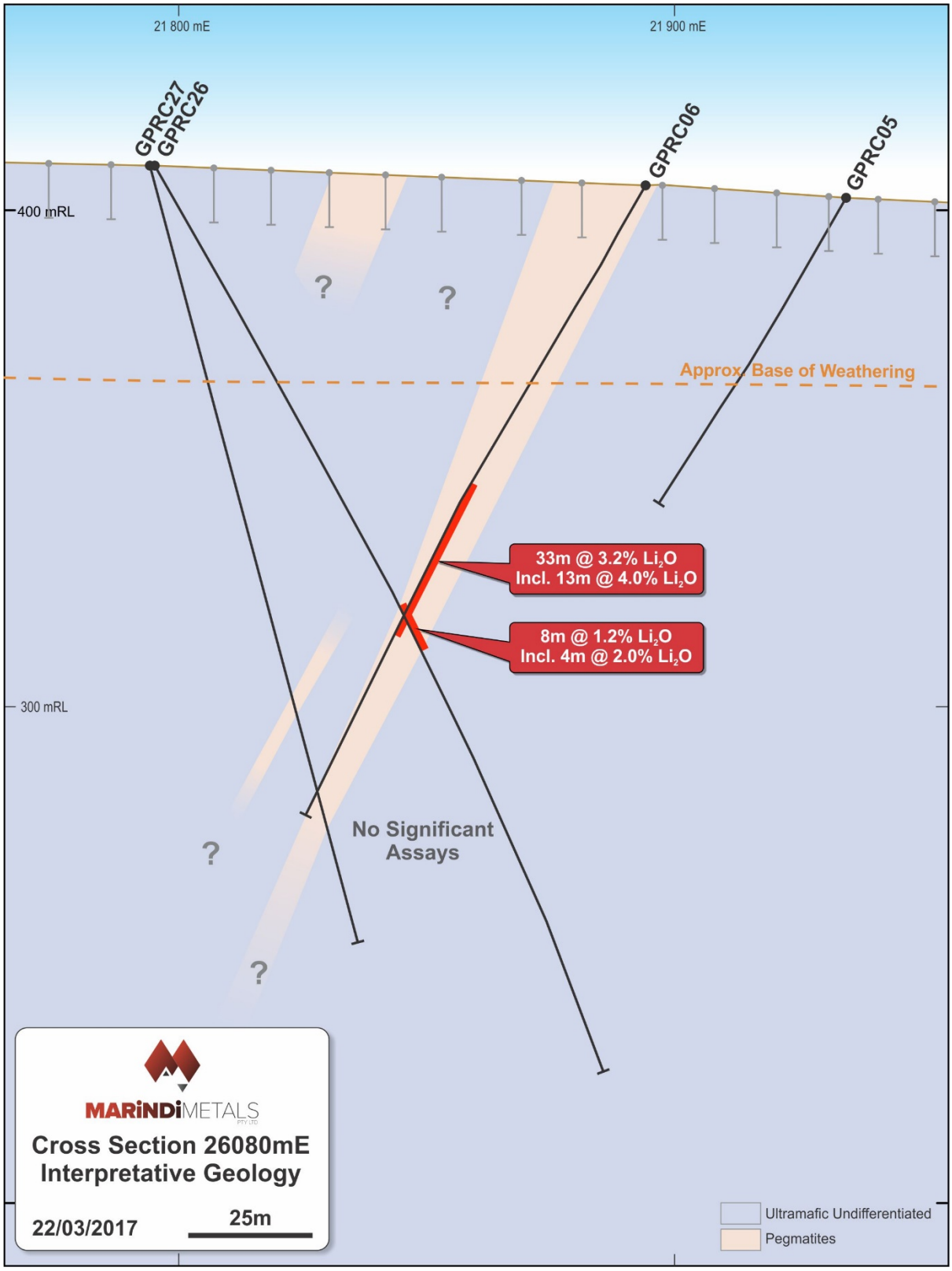


Table 1 - Collars

Hole ID	Northing Local	Easting Local	Easting MGA	Northing MGA	Depth	Az Mag	Dip
GPRC19	25295	21741	763123	6435703	72	90	-60
GPRC20	25896	22102	763489	6436299	72	270	-60
GPRC21	25915	22060	763448	6436318	72	270	-60
GPRC22	25897	22023	763411	6436300	72	270	-60
GPRC23	25902	21990	763378	6436304	72	270	-60
GPRC24	25903	21949	763338	6436305	72	270	-55
GPRC25	25868	21910	763299	6436270	174	270	-55
GPRC26	26088	21795	763188	6436486	204	90	-60
GPRC27	26088	21794	763188	6436486	175	90	-75
GPRC28	25905	21946	763335	6436307	198	270	-55
GPRC29	25922	22166	763553	6436326	114	270	-90
GPRC30	25698	21919	763305	6436102	72	270	-60
GPRC31	25694	22072	763456	6436100	150	270	-70

Table 2 – Assay Results

Hole	From	To	Interval	Be ppm	Cs ppm	Li_2O%	Nb ppm	Fe_2O_3 %	Rb ppm	Sn ppm	Ta ppm
GPRC20	16	18	2	0.66	5.44	0.00	0.9	4.23	6.2	0.7	0.99
GPRC20	18	20	2	1.61	3.04	0.00	1	14.66	3.9	0.5	1.26
GPRC20	20	22	2	3.87	1.87	0.00	0.2	16.09	1.3	0.3	0.17
GPRC20	22	24	2	4.74	1.62	0.00	0.3	11.97	1	0.2	0.20
GPRC20	24	25	1	3.26	1.81	0.00	0.2	12.84	1.1	0.2	0.21
GPRC20	25	26	1	4.57	1.61	0.00	0.3	19.59	1.1	0.4	0.18
GPRC20	26	27	1	5.52	1.67	0.00	0.4	27.53	1.4	0.2	0.21
GPRC20	27	28	1	4.57	1.79	0.00	0.3	20.88	2.3	0.2	0.20
GPRC20	28	29	1	21.5	258	0.14	17.6	13.66	283	10.6	73.02
GPRC20	29	30	1	39.3	500	0.08	64.8	10.85	570	6.5	63.25
GPRC20	30	31	1	6.96	500	0.06	12.8	3.40	5140	1.9	29.31
GPRC20	31	32	1	107	422	0.08	61.6	4.10	4310	2.2	48.23
GPRC20	32	33	1	83.9	231	0.07	48.2	2.16	1460	24.6	122.11
GPRC20	33	34	1	22.8	72	0.02	13.3	7.35	740	4.5	53.61
GPRC20	34	35	1	11.35	16.15	0.01	3.3	7.95	137.5	1.5	5.32
GPRC20	35	36	1	13.6	31	0.01	6.7	11.53	263	2.1	14.96
GPRC20	36	37	1	6.73	20.6	0.01	4.9	6.75	150.5	1.1	12.88
GPRC20	37	39	2	2.22	6.18	0.00	0.7	6.28	34	0.3	1.06
GPRC20	39	41	2	1.62	4.57	0.00	0.6	5.66	24.8	0.3	1.16
GPRC20	41	43	2	1.58	5.59	0.00	0.4	5.13	29.4	0.2	1.04
GPRC21	12	14	2	1.42	6.16	0.00	2.3	2.03	5.9	1.2	3.71
GPRC21	14	15	1	1.25	4.48	0.00	2.7	2.19	6	1	5.10
GPRC21	15	16	1	1.34	5.14	0.00	5.8	3.09	6.5	1	100.25
GPRC21	16	17	1	2.32	5.9	0.01	14.4	4.13	3.1	3.7	122.11
GPRC21	17	18	1	12.65	183	0.06	48.4	4.69	281	11	105.01
GPRC21	18	19	1	19.45	198	0.15	62.2	12.97	1220	17.2	122.11
GPRC21	19	20	1	18.45	279	0.16	25.1	21.81	1830	32.9	122.11
GPRC21	20	21	1	33.4	500	0.20	19.1	12.43	5140	6.2	99.15
GPRC21	21	22	1	59	102.5	0.08	62.4	6.89	650	10.2	120.52
GPRC21	22	23	1	14.55	17.05	0.01	3.7	13.73	142	2	12.33
GPRC21	23	25	2	12	20.9	0.01	1.6	18.66	219	0.8	4.53
GPRC21	25	27	2	5.59	9.42	0.01	2.2	14.13	66.2	0.8	7.55
GPRC21	27	29	2	5.09	3.15	0.00	0.6	13.69	13.5	0.6	1.31
GPRC21	29	31	2	2.04	2.67	0.00	0.2	9.27	10.2	0.2	0.42
GPRC21	31	33	2	1.19	2.24	0.00	0.2	7.95	5.1	0.2	0.28
GPRC21	33	35	2	15.8	13.65	0.01	11.1	16.87	34.3	3.9	33.21
GPRC21	35	37	2	4.67	4.88	0.00	0.9	18.73	18.5	0.6	2.70
GPRC21	37	39	2	5.23	2.91	0.00	1.2	18.02	13.4	0.4	1.65
GPRC21	39	41	2	30.9	177.5	0.03	18.6	17.80	1220	14.3	90.61
GPRC21	41	42	1	684	500	0.04	75.8	5.65	1160	15	122.11
GPRC21	42	44	2	29.5	39.4	0.00	4.2	7.51	85.6	1.6	9.07
GPRC22	3	5	2	2.57	6.12	0.00	3.9	2.25	9	1.1	6.97

Table 2 – Assay Results *(Continued)*

Hole	From	To	Interval	Be ppm	Cs ppm	Li_2O%	Nb ppm	Fe_2O_3 %	Rb ppm	Sn ppm	Ta ppm
GPRC22	5	6	1	30.4	33.8	0.00	5.4	2.15	49.4	1.6	9.84
GPRC22	6	7	1	3.2	6.09	0.00	2.8	2.59	9.8	1.4	4.66
GPRC22	7	8	1	133	48.7	0.02	133	3.30	44.9	8.8	110.27
GPRC22	8	9	1	304	500	0.06	105.5	2.13	6740	27.6	122.11
GPRC22	9	10	1	394	500	0.05	47.3	3.22	5640	16	115.03
GPRC22	10	11	1	171	356	0.06	169	4.36	2550	49.8	122.11
GPRC22	11	12	1	98.1	138	0.03	161	13.11	700	9	122.11
GPRC22	12	13	1	68.5	308	0.03	57.8	9.87	2170	31.9	122.11
GPRC22	13	14	1	11	23.7	0.00	6.3	18.45	95.5	3	20.39
GPRC22	14	16	2	7.24	12.65	0.00	12.1	19.02	65.6	1.1	13.19
GPRC22	16	18	2	6.52	11.65	0.00	3.7	15.87	64.6	1.5	17.83
GPRC22	18	20	2	3.26	6.58	0.00	1.5	8.72	22.8	0.8	2.00
GPRC25	64	66	2	0.64	3.81	0.00	0.3	3.80	4.2	0.2	0.39
GPRC25	66	67	1	0.9	11.65	0.00	0.6	6.33	8.9	0.3	2.00
GPRC25	67	68	1	0.23	12.5	0.01	0.2	6.01	3.3	0.3	0.29
GPRC25	68	69	1	7.14	500	0.95	28.6	1.97	1990	3.7	44.45
GPRC25	69	70	1	37.1	500	0.10	46.2	4.15	970	10.7	52.87
GPRC25	70	71	1	5.45	500	0.04	10.3	5.41	510	3.7	14.47
GPRC25	71	72	1	12.45	457	0.04	14.7	4.62	480	4.9	59.47
GPRC25	72	73	1	32.3	500	0.06	26.4	2.95	1320	7	87.55
GPRC25	73	74	1	3.62	500	0.14	3.2	0.82	9420	1.8	17.52
GPRC25	74	75	1	1.46	500	0.34	0.8	0.66	2650	0.4	1.89
GPRC25	75	76	1	439	500	2.03	42.5	1.42	1690	7.8	93.05
GPRC25	76	77	1	54.9	473	0.08	19.3	2.83	378	1.7	33.70
GPRC25	77	78	1	4.67	500	0.02	1.2	5.13	120	0.4	1.86
GPRC25	78	80	2	14.5	57.3	0.07	1.2	6.36	55.4	0.5	2.55
GPRC26	98	100	2	0.21	3.53	0.00	0.2	6.98	1.3	0.5	0.07
GPRC26	100	101	1	0.34	35.7	0.00	0.3	7.29	7.1	0.4	0.09
GPRC26	101	102	1	0.8	4.27	0.01	0.2	6.38	2.8	0.4	0.10
GPRC26	102	103	1	400	500	0.20	180	2.55	3280	66.6	122.11
GPRC26	103	104	1	546	500	0.71	25	0.90	1920	12.6	28.21
GPRC26	104	105	1	55	500	0.60	9.7	1.46	4420	3.8	14.71
GPRC26	105	106	1	15.35	500	0.11	8.2	0.51	2660	1.9	13.19
GPRC26	106	107	1	20.7	500	0.14	2.6	0.37	3060	1.1	8.90
GPRC26	107	108	1	9.46	69.7	3.83	3.4	0.51	309	0.6	5.12
GPRC26	108	109	1	12.4	387	2.24	2.5	1.24	730	1.3	6.92
GPRC26	109	110	1	6.73	472	1.07	1.8	0.41	3110	0.6	3.68
GPRC26	110	111	1	220	445	1.21	6.6	0.73	4260	5.5	5.95
GPRC26	111	112	1	286	500	0.26	198	1.27	2990	131.5	114.29
GPRC26	112	113	1	47.5	167	0.38	20.8	2.99	1380	12.2	13.00
GPRC26	113	114	1	17.05	42.8	0.13	4.1	4.56	398	2.6	2.39
GPRC26	114	115	1	0.89	12.6	0.02	0.9	4.86	26.6	0.7	0.50
GPRC26	115	117	2	0.93	5.77	0.01	0.6	5.48	28.7	0.4	0.32
GPRC27	126	128	2	0.58	7.84	0.01	0.4	6.84	15.7	0.4	0.13

Table 2 – Assay Results *(Continued)*

Hole	From	To	Interval	Be ppm	Cs ppm	Li_2O%	Nb ppm	Fe_2O_3 %	Rb ppm	Sn ppm	Ta ppm
GPRC27	128	129	1	0.5	4.18	0.00	0.4	6.74	3.2	0.5	0.12
GPRC27	129	130	1	0.35	7.53	0.00	0.4	5.93	3.1	0.5	0.06
GPRC27	130	131	1	0.43	10.4	0.01	0.3	5.63	3.5	0.9	0.03
GPRC27	131	132	1	311	500	0.09	163	3.73	1440	74.6	82.30
GPRC27	132	133	1	26.9	134	0.08	22.7	1.80	357	9.9	28.94
GPRC27	133	134	1	65.9	378	0.08	36.9	1.62	3360	7.8	67.65
GPRC27	134	135	1	146.5	482	0.07	30.8	0.72	3860	11	84.50
GPRC27	135	136	1	102.5	368	0.11	46.3	0.63	3170	9.6	81.57
GPRC27	136	137	1	67.5	500	0.08	30.6	1.53	2730	6.8	62.89
GPRC27	137	138	1	40.6	303	0.06	26.6	2.93	1580	4.1	32.60
GPRC27	138	139	1	6.53	43.9	0.01	2.7	4.39	244	0.8	4.55
GPRC27	139	140	1	2.99	41.1	0.01	1.5	5.42	254	0.5	2.98
GPRC27	140	142	2	1	13.25	0.01	0.6	6.25	69.9	0.5	0.56
GPRC28	135	137	2	0.45	4.72	0.00	0.2	6.69	11.6	0.3	0.13
GPRC28	137	138	1	0.3	2.46	0.00	0.2	6.58	4.4	0.4	0.22
GPRC28	138	139	1	2.78	500	0.03	10	5.35	560	4	24.06
GPRC28	139	140	1	47.4	500	0.08	35.4	3.60	2990	12	108.68
GPRC28	140	141	1	20.9	136.5	0.02	5.2	6.01	640	2.4	17.28
GPRC28	141	142	1	0.88	16.35	0.01	0.5	7.56	44.3	1.1	2.41
GPRC28	142	143	1	1.54	30.8	0.01	1.2	7.18	59.5	0.6	4.42
GPRC28	143	144	1	0.97	10.4	0.00	0.5	8.19	32.7	0.3	1.03
GPRC28	144	145	1	30.6	253	0.02	8.8	6.58	760	3.7	28.82
GPRC28	145	146	1	0.48	4.91	0.00	0.2	7.78	7.8	0.2	0.28
GPRC28	146	147	1	0.39	2.36	0.00	0.1	8.44	4.4	0.2	0.10
GPRC28	147	148	1	0.31	2.51	0.00	0.2	7.97	4.2	0.2	0.16
GPRC28	148	149	1	0.23	1.8	0.00	0.2	8.51	3.1	0.2	0.24
GPRC28	149	150	1	1.28	19.3	0.01	0.6	8.22	34.7	0.6	0.98
GPRC28	150	151	1	0.17	2.09	0.00	0.1	8.41	2.1	0.2	0.23
GPRC28	151	153	2	0.22	1.9	0.00	0.1	8.85	1.4	0.2	0.03
GPRC28	162	163	1	0.28	3.18	0.00	0.1	7.98	1.9	0.8	0.03
GPRC28	163	164	1	3.91	73.7	0.01	16.4	7.12	175	0.8	12.94
GPRC28	164	165	1	0.56	10.3	0.00	0.4	7.88	15.7	0.2	1.17
GPRC30	14	16	2	8.48	3.75	0.00	1	7.94	2.8	0.9	0.68
GPRC30	16	17	1	6.65	7.1	0.01	3.1	7.21	13.2	1.9	8.00
GPRC30	17	18	1	4.98	500	0.09	14.5	1.94	4370	10.8	68.75
GPRC30	18	19	1	6.77	154	0.06	31.8	1.96	2010	49.1	122.11
GPRC30	19	20	1	7.41	18.95	0.05	11.8	3.66	138.5	18.3	44.69
GPRC30	20	21	1	7.94	22	0.01	3.6	12.96	34.7	5.6	14.96
GPRC30	21	23	2	5.39	7.24	0.00	1.6	12.43	16.6	1.3	2.27
GPRC31	62	64	2	0.55	1.46	0.00	0.1	3.33	1.1	0.2	0.34
GPRC31	64	65	1	0.98	1.57	0.00	0.3	3.62	0.5	0.2	0.15
GPRC31	65	66	1	20.3	496	0.04	23.2	3.83	318	4.4	66.18

Table 2 – Assay Results *(Continued)*

Hole	From	To	Interval	Be ppm	Cs ppm	Li_2O%	Nb ppm	Fe_2O_3 %	Rb ppm	Sn ppm	Ta ppm
GPRC31	66	67	1	5.35	295	0.14	12.2	3.17	2550	6.2	88.04
GPRC31	67	68	1	190	230	0.22	35.2	2.77	990	18.5	122.11
GPRC31	68	69	1	122.5	145	0.07	20.3	3.55	510	10.1	94.27
GPRC31	69	70	1	27.1	49.2	0.04	6.6	5.68	222	3.4	69.60
GPRC31	70	71	1	8.25	44.9	0.02	3.4	6.41	140	1.7	19.72
GPRC31	71	73	2	2.67	6.48	0.01	0.7	7.35	21.9	0.4	2.60

Appendix 1 – JORC TABLE 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections)

Criteria	JORC Code Explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down-hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (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 (e.g. submarine nodules) may warrant disclosure of detailed information.*	• Two samples are taken for each metre drilled using Reverse Circulation method. A bulk sample is collected in a 600x900mm plastic bag and a 4% split using a cone splitter is also taken in a calico bag. Sample intervals are then determined by geology and geochemistry (portable XRF). If a single 1m sample is required then a single 4% split is assayed, or if composite samples are required then 1m splits are combined and assayed. If a composite sample is greater 3kg, then a 25% riffle split is taken to composite. If further sampling is required spear samples can be taken from the bulk samples
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Drilling method used is Reverse Circulation. The drill rig is a RCD250 rig with 2400CFM and 800 PSI. A 146mm hammer was used.

Criteria	JORC Code Explanation	Commentary
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• An experienced RC driller from a high standard drilling contractor are being used for this drill program. The Drilling contractor and Marindi Metals are using industry standard techniques to maximise sample recoveries and produce representative sample intervals during RC drilling. The cyclone and splitter are levelled and cleaned after every 6m run, or if there is significant movement noticed, then it is levelled after every 1m to provide a representative split. Sample recovery is recorded for every 1m by Marindi geologists and geotechnicians. Where sample recovery is less than 100% and the sample is assayed, recovery is noted in the assay ledger. • Drilling to date by Marindi has had very good sample recovery through the pegmatites. No bias has occurred during sampling.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged.*	• Every metre drilled has geology and XRF analysis. Geology logs record geological units, alteration, veining and percentage of relevant minerals. All RC samples are analysed once using a Thermo Scientific Niton Portable XRF. All data is validated before entering Marindi's database.

Criteria	JORC Code Explanation	Commentary
Subsampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Sample intervals are determined by a Marindi geologist. All intervals are documented digitally and on ticket books. Sample intervals are determined by geological intervals. • Two samples are taken for each metre drilled using Reverse Circulation method. A bulk sample is collected in a 600x900mm plastic bag and a 4% split using a cone splitter is also taken in a calico bag. Sample intervals are then determined by geology and geochemistry (portable XRF). If a single 1m sample is required then a single 4% split is assayed, or if composite samples are required then 1m splits are combined and assayed. If a composite sample is greater 3kg, then a 25% riffle split is taken to composite. If further sampling is required spear samples can be taken from the bulk samples
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• Samples are analysed via a 4 acid digest with an ICP-MS finish. This method is considered to be a total analysis of the sample with 48 elements assayed for. For Li samples greater than 10000ppm, a new analysis is done using Na2O2 fusion with a ICP-AES finish. The analysis is completed by an industry leading laboratory. Each batch of samples analysed has several standards, blanks and duplicates included. No geophysical tools are used. A XRF instrument is used to aid geological logging and determination of sample intervals. No XRF data has been reported by Marindi Metals.

Criteria	JORC Code Explanation	Commentary
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Intersections have been verified by Marindi personal and contract professionals. • None of the drill holes in this report are twinned. • All data is recorded on paper and then entered into a database. Data is then checked before being moved into a primary database. Data is backed up on a remote server in two locations. • Adjusting Li to Li_2O is achieved by multiplying by 2.15 and adjusting Fe to Fe_2O_3 is achieving by multiplying by 1.43. These being the relevant atomic weight ratios.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down- hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• All collar co-ordinates of drill holes in this release have been located via a Garmin hand held GPS. Locations are averaged for a minimum of 15 GPS readings. Accuracy is assumed to be within +- 4m. Drill holes will be routinely surveyed by a surveyor as the drilling program progresses. Drill hole locations are measured in GDA94, MGA Zone 50. • Topographic control is considered adequate.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• The drill in this program has been completed along approximately 400x40m spaced drill holes. As stated in the release, Marindi do not know the dip, strike or true width of the reported intersection. Available data suggests the intersection may be vertical. Further drilling will be required to confirm this. Exploration drilling at the Gem Pegmatite is preliminary and spacing and distribution of exploration results is not sufficient to support Mineral Resources or Ore Reserves. • Each reported assay in this release is a 2m composite. Composites are 4% cyclone splits.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• No significant orientation based sampling bias is known at this time. • The drill holes may not necessarily be perpendicular to the orientation of the intersected mineralisation. All reported intervals are downhole intervals, not true widths. True widths and orientation of mineralised bodies will be established with additional drilling.

Criteria	JORC Code Explanation	Commentary
Sample security	• *The measures taken to ensure sample security.*	• Appropriate security measures are taken to dispatch samples to the laboratory. Chain of custody of samples are managed by Marinid Metals. Samples are stored onsite and transported to the laboratory by a licence transport company. The laboratory issues a receipt and a reconciliation of delivered samples against the laboratory analysis submission form from Marindi Metals.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Marindi Metals have not completed any external audits or reviews of the sampling techniques and data.

Section 2 Reporting of Exploration Results

(Criteria in this section apply to all succeeding sections)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	The Gem pegmatite prospect is comprised of granted mining lease ML 77/549 which is under an option agreement to Marindi metals Limited. The option allows Marindi the ability to purchase 100% of the tenement on certain terms and conditions which are detailed in Marindi ASX release dated September 20,2016.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Numerous exploration companies have conducted exploration on M77/549 Significant exploration results are summarised in JORC Table 1 attached. • A large amount of historic data is available to Marindi Metals and appraisal of data is continuing. • The majority of nickel exploration was reported on by Amax Exploration (Aust) limited in 1975 . The sampling and appraisal of the LCT pegmatites was most comprehensively reported on by Aztec Exploration in 1985 (Wamex ref A17582) and specifically appendix 2 of that report entitled “The potential for pegmatite related mineralisation in the Mt Hope District Yilgarn Goldfields, Westerns Australia” by Dr L F Betternay. • Further information was also supplied by Mr K Robinson the operator of the Gem Rubellite mine in the early 1980s.

Criteria	JORC Code explanation	Commentary
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Gem pegmatite is one of a series of LCT pegmatites that have intruded a thick sequence of ultramafic rocks. The extent and attitude of the LCT units is unknown and is the subject of further exploration. • The nickel sulphide occurrence occurs in a diamond drill hole that terminated in a dunitic sequence and is part of the eastern ultramafic belt at Forrestania. Several significant nickel sulphide deposits are known to occur within the eastern ultramafic belt at Forrestania.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• Refer to Table 2 of this document, Drill Hole Collar Table.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill-hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• The relationship between drilling and the LCT pegmatites is not known. • The relationship between nickel mineralisation and drilling is not known. • All intersections reported in this release are downhole intervals.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Appropriate maps with scale are included within the body of the accompanying document.

Criteria	JORC Code explanation	Commentary
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• The accompanying document is considered to represent a balanced report.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Other exploration data collected is not considered as material to this document at this stage. Further data collection will be reviewed and reported when considered material.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale stepout drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Further exploration is planned once all historic data has been assessed.