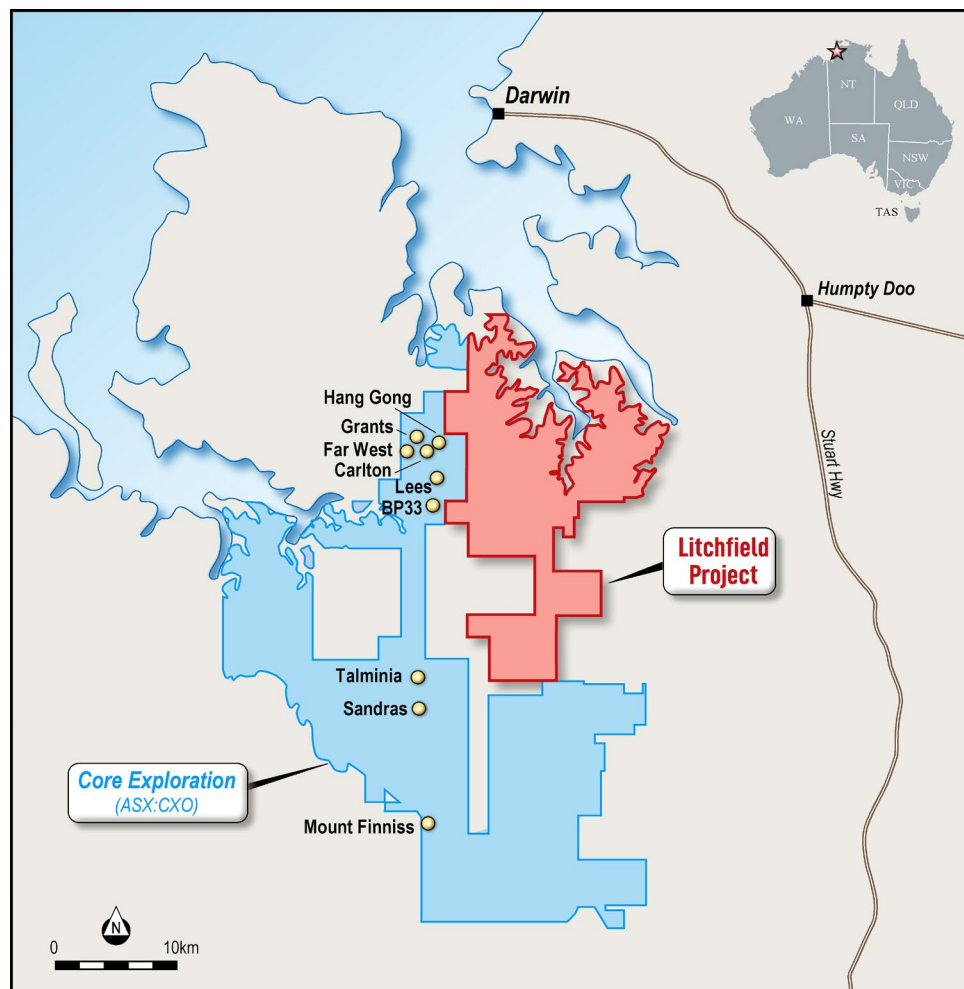


# Two prime lithium projects secured

FIGURE 1: LITCHFIELD LITHIUM PROJECT, NORTHERN TERRITORY



Source: CCZ geology team

- **Option secured for 90-days to acquire – subject to successful due diligence – two highly prospective lithium projects in prime locations:**
  - 1) Litchfield Lithium Project (Figure 1; NT) is contiguous to Core Lithium's (ASX: CXO) strategic Finnis Lithium Project which has JORC compliant ore reserves (7.4Mt @ 1.3% Li<sub>2</sub>O), with production slated to commence in 2H 2022<sup>1</sup>:**
    - ❖ **Analysing satellite imagery<sup>2</sup> shows potential for lithium pegmatite bodies to be apparent along Litchfield's north-west boundary; this is the primary exploration target area**
  - 2) Picasso Lithium Project (Norseman region, WA) is proximal to Liontown's Resources' (ASX: LTR) Buldania Project, with a JORC compliant resource at 14.9Mt @ 0.97% Li<sub>2</sub>O<sup>3</sup>, and has mapped pegmatites<sup>4</sup> that potentially host lithium mineralisation**
- **CCZ has ample funds on hand to develop core projects moving forward; meanwhile, the drilling campaign at the Arya Prospect is about to commence**

**CCZ's Managing Director, Simon Paull, commented:** "Acquiring prospective lithium projects, which complement the copper assets, arguably provides CCZ a strong comparative advantage moving forward. In focusing on developing copper and lithium projects, the Board is positioning CCZ to potentially create significant incremental value from the transition towards renewable energy sources and accelerating demand for electric vehicles globally."



**CASTILLO COPPER  
LIMITED**

**ASX Release**

**29 September 2021**

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**ASX/ LSE Symbol:**  
CCZ

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Castillo Copper Limited's ("CCZ") Board is delighted to announce it has entered into a 90-day option agreement to acquire – subject to successful due diligence – two granted, highly prospective lithium projects. The Litchfield and Picasso Lithium Projects are located in prime regions in the Northern Territory (NT) and Western Australia (WA) respectively.

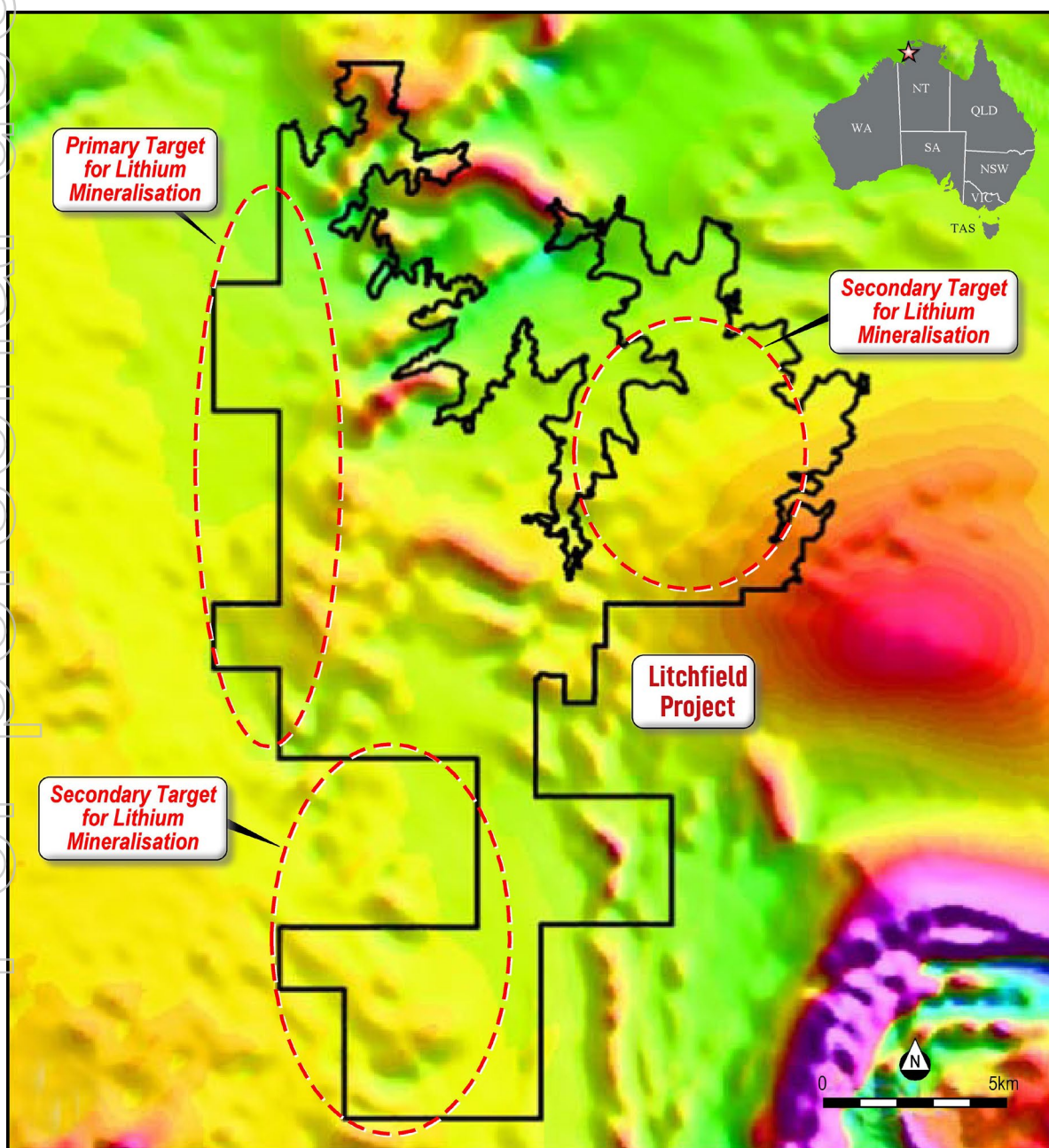
### PRIME LITHIUM ASSETS

CCZ's Board, following a recent strategic review, decided it was prudent to diversify the asset portfolio and acquire quality projects prospective for lithium mineralisation. In having the ability to develop projects prospective for copper and lithium, it positions CCZ strategically to potentially create significant incremental value from the transition towards renewable energy sources and surging demand for electric vehicles globally.

#### Litchfield Lithium Project, NT

The Litchfield Lithium Project is close to Darwin Port in a mineral rich region, yet under-explored (Figure 1 & 2). In geological terms, it is in the Bynoe pegmatite field, which is known to host lithium mineralisation. A key positive for the Litchfield Lithium Project is neighbour CXO's contiguous Finnis Lithium Project which has four demonstrable spodumene lithium deposits within 1-2km of the north-west boundary<sup>1</sup>.

FIGURE 2: PRIMARY TARGETS IN LITCHFIELD LITHIUM PROJECT



Source: CCZ geology team

The JORC compliant total reserve for the Finniss Lithium Project, which comprises deposits at several prospects noted in Figure 1 above, is 7.4Mt @ 1.3% Li<sub>2</sub>O (equivalent to 97,900t Li<sub>2</sub>O<sup>1</sup>). Of these prospects, the BP33 deposit, which is >140m deep and 20-40m wide, has produced some stellar intersections across several drill-holes, including: 75m @ 1.68 % Li<sub>2</sub>O including 55m @ 1.97% Li<sub>2</sub>O<sup>5,6</sup>.

A closer analysis of satellite imagery<sup>4</sup>, encompassing the Litchfield and Finniss Lithium Projects, demonstrates the geology along the former's western boundary is comparable to that prevalent in the latter. As such, with the potential for lithium pegmatite bodies to be apparent in the western zone of the Litchfield Lithium Project, there is the possibility for contiguous mineralisation.

The primary and secondary targets (Figure 2) were selected for their potential to host lithium-bearing pegmatites intruded within the Burrell Creek Formation. Pleasingly, the current owners (see below) undertook a comprehensive surface sampling campaign, collecting up to 600 soil and rock-chip samples, which are presently being analysed at a laboratory. The assay results, which are due back shortly, will form a significant component of the preliminary due diligence.

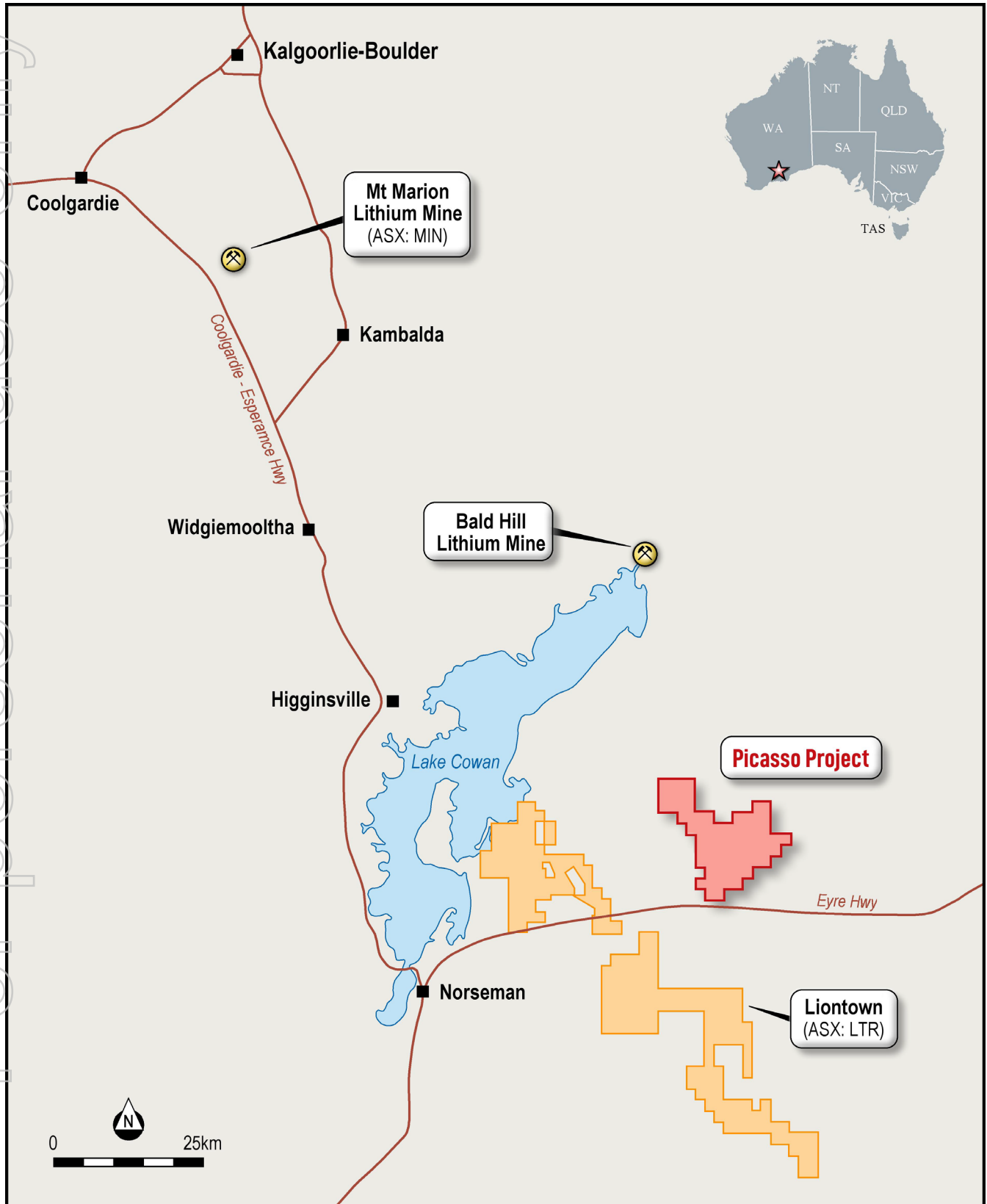
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## Picasso Lithium Project, WA

The Picasso Lithium Project is circa 50km from Norseman which connects via road / rail to Esperance Port. This is a well-known lithium producing region as it hosts the Mt Marion and Bald Hill Lithium Mines which have JORC compliant total resources at 71Mt @ 1.37%  $\text{Li}_2\text{O}^7$  & 26Mt @ 0.96%  $\text{Li}_2\text{O}^8$  respectively.

More significantly, the Picasso Lithium Project is proximal to LTR's Buldania Lithium Project, circa 20km west, which has a JORC compliant resource at 14.9Mt @ 0.97%  $\text{Li}_2\text{O}^9$  (Figure 3).

**FIGURE 3: PICASSO LITHIUM PROJECT**



Source: CCZ geology team

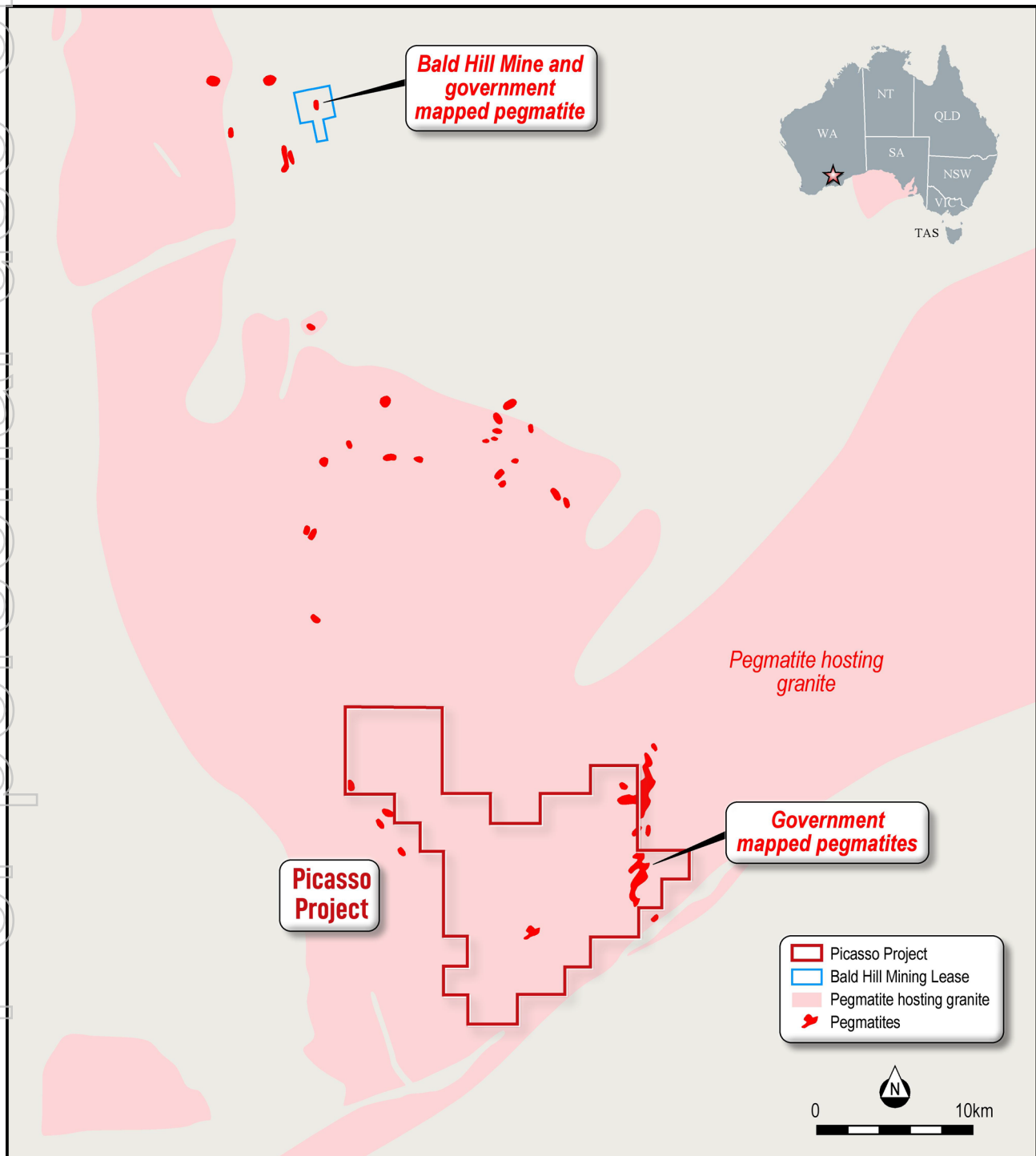


Within the Buldania Lithium Project, there is outcropping and spodumene-related mineralisation that extends to the south-east under shallow cover along a 1.4km strike event that is open. Moreover, reflecting LTR's optimism in the Buldania Project's potential, a mining lease application has been lodged over the area which hosts the resource<sup>9</sup>.

Encouragingly, the Picasso Lithium Project hosts geology that is comparable to occurrences found in LTR's tenure and ground proximal to the Bald Hill Lithium Mine. Drilling down, the Geological Survey of Western Australia<sup>10</sup> (GSWA) has mapped granitic pegmatites (which typically host lithium bearing minerals such as spodumene) within the Picasso Lithium Project.

Reflecting the exploration potential, a closer analysis and interpretation of GSWA's maps suggest there are potentially more outcropping granite units and mapped pegmatites in the Picasso Lithium Project's than proximal to the Bald Hill Lithium Mine<sup>10</sup> (Figure 4).

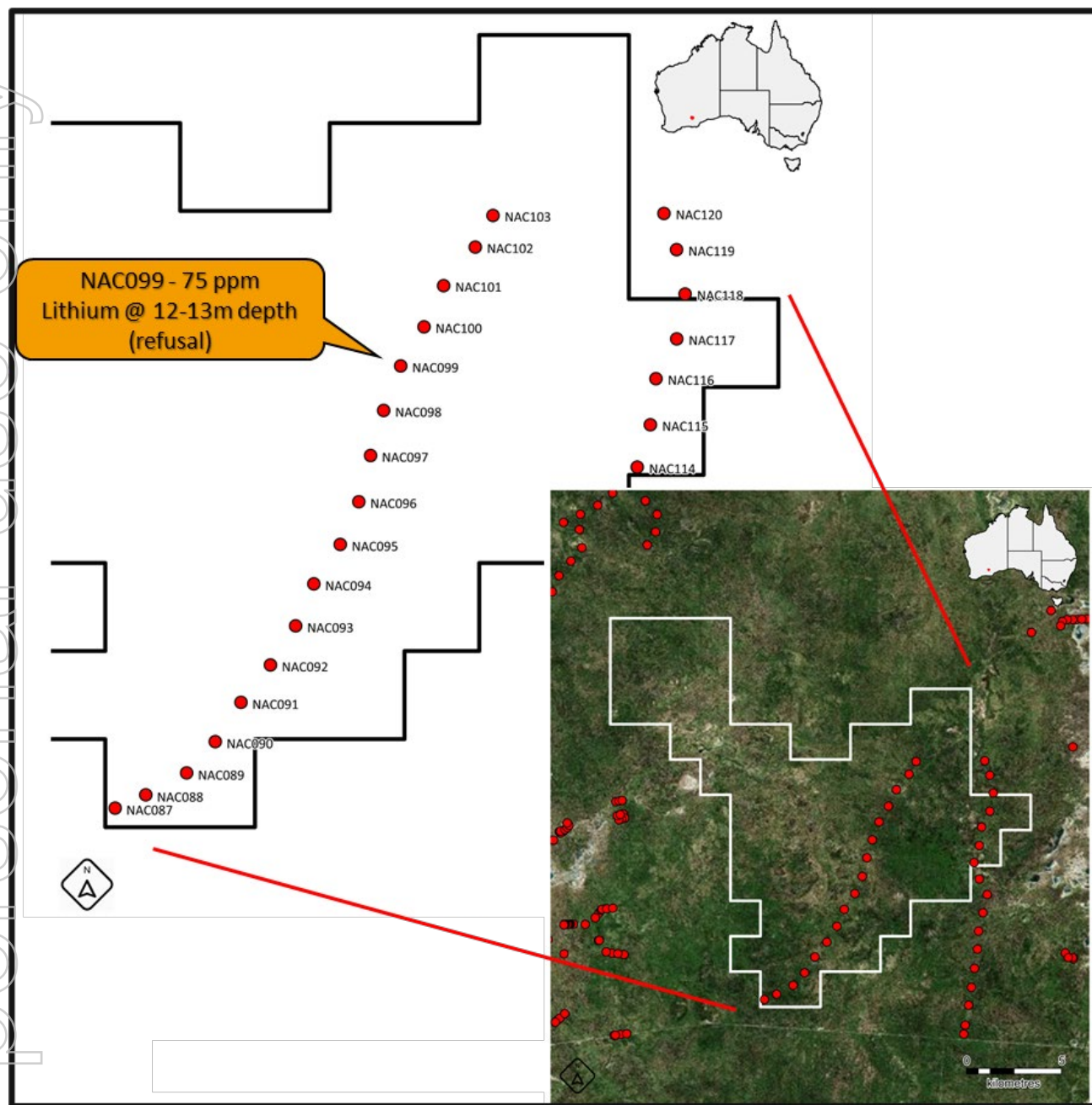
**FIGURE 4: MAPPED PEGMATITES WITHIN/EXTERNAL TO PICASSO PROJECT**



Source: CCZ geology team

Within the Picasso Lithium Project, historical exploration drilling for gold-copper-zinc-lead was undertaken by Anglo Gold<sup>11</sup>. This entailed air-core drilling along a predetermined path (Figure 5) which largely encapsulated known outcropping pegmatites. Pleasingly, the assay result for one of the drill-holes returned elevated lithium levels (up to 75ppm Li), with >30ppm deemed significant to warrant closer geological investigation<sup>11</sup>. Interpreting the geochemistry findings reinforces the argument that pegmatites within several target areas across the tenure have the potential to host lithium mineralisation.

**FIGURE 5: HISTORICAL LITHIUM GEOCHEMICAL RESULTS – PICASSO PROJECT**



Source: CCZ geology team

## OPTION AGREEMENT

### Vendor Group & asset overview

The owners of Lithium Technologies Pty Ltd (ACN: 619683859; "LT") and Lithium Supplies Pty Ltd (ACN: 621172478; "LS"), which, in turn, each own 50% of Synergy Prospecting Pty Ltd (ACN: 622779980; "Synergy"), have granted CCZ a 90-day option to acquire 100% of the outstanding shares of LT and LS and by implication 100% of Synergy. Note, the major shareholder of LT and LS on a consolidated basis, with circa 29%, is UK-based and AIM listed Cadence Minerals plc<sup>12</sup> (LSE: KDNC).

During this 90-day period, CCZ will be conducting due diligence on all three entities to ensure the underlying assets are in good standing and there are no material adverse issues. Under the terms of the option agreement, CCZ can exercise its right to acquire LT, LS and Synergy at anytime during the 90-day period.

The primary assets of Synergy, which are wholly-owned, comprise the Litchfield Lithium Project (EL31774) in NT and Picasso Lithium Project (E63/1888) in WA. In addition, Synergy has an application in NT – EL31828 – known as the Alcoota Lithium Project, which comprises ground proximal to Alice Springs. However, further geological due diligence is required on this application to determine if it meets the criteria to be a core asset.

Between them, LT and LS hold applications for six lithium properties in San Luis Province, Central Argentina. At this juncture, further due diligence is required to determine if these applications will be progressed to grant status.

For further details on all the exploration permits – refer to Appendix A.

### Option terms & consideration

The terms of the 90-day option are as follows:

- A\$50,000 non-refundable deposit in cash on formally granting the option that will go directly to Synergy for working capital purposes.

Upon exercising the option within the 90-day period, the binding consideration terms are as follows:

- A\$1m script payment in CCZ shares will become payable to the Vendor Group based on the 14-day WVAP calculated from the date of which the option agreement is announced to the ASX.

Note, the Vendor Group will be subject to a 6-month voluntary escrow period for 50% of the shares and 12-months for the 50% balance from the date of settlement. In addition, both parties agree to sign off on a binding term sheet.

Incremental consideration terms are applicable if the following milestones are achieved:

- A\$1m script payment in CCZ's shares to the Vendor Group based on the 14-day WVAP if two drill-holes produce assayed intercepts greater or equal to a true width of at least 10m @ 1.3% Li<sub>2</sub>O.

Note, the two holes will be at least 100m apart, but not greater than 200m.

- A\$1m script payment in CCZ's shares to the Vendor Group based on the 14-day WVAP if a JORC compliant total inferred resource of at least 7Mt @ 1.3% Li<sub>2</sub>O is modelled by SRK Consulting.
- In the event of commercial mining operations commencing a 2% NSR will be payable to the nominees of the facilitator.

## **Next steps**

For the lithium projects, the initial focus will be on the following areas:

- Commencement of due diligence on the Litchfield and Picasso Lithium Projects.
- For the Litchfield Lithium Project, return of assays for circa 600 surface samples.

In Queensland, the following is set to take place over the coming weeks:

- Commencement of drilling at the Arya Prospect.
- Return of all Big One Deposit assays from the laboratory which will enable the geology team to interpret the results then formulate the next drilling campaign.

There are several ongoing steps for the Zambia operations, including:

- Complete the IP survey at the Luanshya & Mkushi Projects then analyse the results for incremental targets for test-drilling; and
- Commence work on the inaugural drilling campaign for the Luanshya Project.

**For and on behalf of Castillo Copper**

**Simon Paul**

**Managing Director**



## ABOUT CASTILLO COPPER

Castillo Copper Limited is an Australian-based explorer primarily focused on copper across Australia and Zambia. The group is embarking on a strategic transformation to morph into a mid-tier copper group underpinned by its core projects:

- A large footprint in the Mt Isa copper-belt district, north-west Queensland, which delivers significant exploration upside through having several high-grade targets and a sizeable untested anomaly within its boundaries in a copper-rich region.
- Four high-quality prospective assets across Zambia's copper-belt which is the second largest copper producer in Africa.
- A large tenure footprint proximal to Broken Hill's world-class deposit that is prospective for zinc-silver-lead-copper-gold.
- Cangai Copper Mine in northern New South Wales, which is one of Australia's highest grading historic copper mines.

The group is listed on the LSE and ASX under the ticker "CCZ."

### References

- 1) CXO ASX Release – 21 September 2021 (Annual Report)
- 2) NT satellite imagery. Available at: <https://strike.nt.gov.au/wss.html>
- 3) LTR ASX Release – 2 August 2021
- 4) Satellite imagery from Geological Survey of Western Australia. Available at: <https://www.dmp.wa.gov.au/Geological-Survey/Geological-Survey-262.aspx>
- 5) CXO ASX Release – 11 April, 28 June & 18 December 2018
- 6) CXO ASX Release – 26 July 2021
- 7) MIN ASX Release – 31 October 2018
- 8) Alita Resources – 20 March 2019 (121 Mining Conference Presentation). Available at: <http://www.allianceminerals.com.au/wp-content/uploads/2019/03/02088109.pdf>
- 9) LTR ASX Release – 2 August 2021
- 10) Satellite imagery from Geological Survey of Western Australia. Available at: <https://www.dmp.wa.gov.au/Geological-Survey/Geological-Survey-262.aspx>
- 11) Anglo Gold Reports - WAMEX A97556. Available at: [https://geodocs.dmirs.wa.gov.au/Web/documentlist/10/Report\\_Ref/A97556](https://geodocs.dmirs.wa.gov.au/Web/documentlist/10/Report_Ref/A97556)
- 12) Cadence Minerals profile. Available at: <https://www.cadenceminerals.com/about/strategy/>

### Competent Person Statement

The information in this report that relates to Exploration Results for "Litchfield" and "Picasso" is based on information compiled or reviewed by Mr Geoffrey Reed, a Non- Executive Director of CCZ. Mr Reed is both a shareholder and director of Bluespoint Mining Services, a company which is a shareholder of Castillo Copper Limited. Bluespoint Mining Services provides ad hoc geological consultancy services to Castillo Copper Limited. Mr Reed is a member of the Australian Institute of Mining and Metallurgy (CP) (member #250422) and has sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, and Mineral Resources. Mr Reed is a member of the Australian Institute of Geoscientists. Further, Mr Reed consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

Mr Reed has not verified any of the information regarding any of the properties or projects referred to herein other than the "Litchfield" and "Picasso" Properties.

The Australian Securities Exchange has not reviewed and does not accept responsibility for the accuracy or adequacy of this release.

### Disclaimer Regarding Forward Looking Statements

This ASX announcement (Announcement) contains various forward-looking statements. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements are inherently subject to uncertainties in that they may be affected by a variety of known and unknown risks, variables and factors which could cause actual values or results, performance, or achievements to differ materially from the expectations described in such forward-looking statements.

Castillo Copper Limited does not give any assurance that the anticipated results, performance, or achievements expressed or implied in those forward-looking statements will be achieved.

## APPENDIX A: TENEMENT & APPLICATION SCHEDULE

### Australian exploration permits

Asset	Holder	Interest (%)	Status	Licence Expiry Date	Licence Area (Has)
<b>Litchfield (EL31774)</b>	Synergy Prospecting Pty Ltd	100%	Granted	14/02/2025	231,100
<b>Picasso (E63/1888)</b>	Synergy Prospecting Pty Ltd	100%	Granted	25/10/2023	273,000
<b>Alcoota (EL31828)</b>	Synergy Prospecting Pty Ltd	100%	Application made on 19/02/2018	N/A	786,000

### Argentina exploration permits

Asset	Holder (Ultimate)	Interest (%)	Status	Licence Expiry Date	Licence Area (Has)
<b>Conejo</b>	Lithium Technologies Pty Ltd	100%	Pending grant	1,100 days from 30 days after grant	8,916
<b>Lulu</b>	Lithium Technologies Pty Ltd	100%	Pending grant	1,100 days from 30 days after grant	9,815
<b>Martin</b>	Lithium Technologies Pty Ltd	100%	Pending grant	1,100 days from 30 days after grant	8,254
<b>Carpa</b>	Lithium Supplies Pty Ltd	100%	Pending grant	1,100 days from 30 days after grant	9,954
<b>Chutunsa</b>	Lithium Supplies Pty Ltd	100%	Pending grant	1,100 days from 30 days after grant	9,948
<b>Lagu</b>	Lithium Supplies Pty Ltd	100%	Pending grant	1,100 days from 30 days after grant	8,915

## APPENDIX B: JORC CODE, 2012 EDITION – TABLE 1

### Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</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 (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<ul style="list-style-type: none"> <li>Litchfield</li> </ul> <p>The Litchfield project and surrounds has a very limited amount of publicly available soil geochemistry survey results.</p> <ul style="list-style-type: none"> <li>Picasso</li> </ul> <p>Regional aircore drilling was undertaken within tenements E15/946 and E63/1083-1084 (Now part of Picasso) in late 2010. Bostech Drilling was contracted to complete this work utilising their light truck mounted Bostech Drillboss 200 (Atlas Copco XRV9, Compressor — capacity 350psi &amp; 600cfm). Holes were drilled to blade refusal along existing tracks in a program of regional traverses. These traverses were completed to better understand the depth of cover and the regolith environment and to gain an understanding of the basement geology. Drill hole localities are depicted in Figure 5.</p>
<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>Litchfield</li> </ul> <p>There are no reported drill holes located within the Litchfield tenement</p> <ul style="list-style-type: none"> <li>Picasso</li> </ul> <p>Regional aircore drilling was undertaken within tenements E15/946 and E63/1083-1084 (Now part of Picasso) in late 2010.</p>
<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>Litchfield</li> </ul> <p>N/A</p> <ul style="list-style-type: none"> <li>Picasso</li> </ul> <p>Drilling to blade refusal was utilised to identify the distribution of anomalous gold. Collar locations were surveyed using a hand-held GPS with a nominal accuracy of +10 m. Drill holes were pegged in the field using GPS and then the actual location of the hole was picked up after drilling.</p>
<b>Logging</b>	<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</li> </ul>	<ul style="list-style-type: none"> <li>Litchfield</li> </ul> <p>N/A</p> <ul style="list-style-type: none"> <li>Picasso</li> </ul> <p>Aircore drilling was geology, Alteration and weathering logged</p>

	<p>costean, channel, etc) photography.</p> <ul style="list-style-type: none"> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	
<b>Sub-sampling techniques and sample preparation</b>	<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>Litchfield</li> </ul> <p>N/A</p> <ul style="list-style-type: none"> <li>Picasso</li> </ul> <p>Samples were collected from the cyclone in single meter intervals and laid on the ground in rows of ten for geological logging. Four-meter composite samples weighing approximately 3kg in total were collected from the sample piles using a scoop and submitted for gold analysis.</p> <p>The magnetic susceptibility of these samples was measured, in the bag, with a KT9 magnetic susceptibility meter</p>
<b>Quality of assay data and laboratory tests</b>	<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>Litchfield</li> </ul> <p>N/A</p> <ul style="list-style-type: none"> <li>Picasso</li> </ul> <p>. A 750g composite sample of the last meter (or two meters, if bottom of hole sample recovery is inadequate) in each hole was collected using a scoop and submitted for multi-element analysis.</p> <p>Blanks and standards were routinely submitted for quality control purposes, at a nominal ratio of 1 in 40 samples.</p> <p>All samples were submitted to Genalysis Intertek Laboratory Services for analysis. At the laboratory, samples were dried in an oven at 120 degrees and then pulverised in an LMS mill to a nominal size of -75 microns. The milled pulps were weighed out (to 25g) and underwent stepwise aqua regia digestion in a temperature-controlled laboratory. The analyte was then presented to a graphite-furnace AAS (method AR25/GF) for gold analysis, with the detection limit for this method being 1 ppb Au.</p>
<b>Verification of sampling and assaying</b>	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>Litchfield</li> </ul> <p>N/A</p> <ul style="list-style-type: none"> <li>Picasso</li> </ul> <p>No adjustment is made to any historical assay data.</p>
<b>Location of data points</b>	<ul style="list-style-type: none"> <li>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.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>Litchfield</li> </ul> <p>N/A</p> <p>Picasso</p> <p>See Figure 5</p>

<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>• Litchfield</li> </ul> N/A <ul style="list-style-type: none"> <li>• Picasso</li> </ul> See Figure 5
<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 is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Litchfield</li> </ul> N/A <ul style="list-style-type: none"> <li>• Picasso</li> </ul> N/A
<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>• Litchfield</li> </ul> N/A <ul style="list-style-type: none"> <li>• Picasso</li> </ul> Chain of Custody procedure by Anglo Gold <sup>11</sup>
<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>	No formal audit or review of sampling techniques has been undertaken

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## Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
<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>Litchfield</li> </ul> <p>See Appendix A.</p> <p>The majority of the Litchfield tenement is classified under Primary Land Use as 'Conservation and Natural Environment, Production and Agriculture' use. The majority of the tenement is classified as vacant crown land (other) owned by the North Territory Government. The tenement lays within the Darwin Rural Water Control District and northern portions of the lease are noted to be within the Darwin Harbour District sensitive area of conservation significance. There are no Native Title Determinations over the Litchfield project area</p> <ul style="list-style-type: none"> <li>Picasso</li> </ul> <p>See Appendix A</p> <p>The area has been classified entirely as 'minimal use' by the Australian Government's Department of Agriculture and Water Resources, which are areas of land that are largely unused.</p>
<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>Litchfield</li> </ul> <p>The large majority of historical exploration, even in recent times, has focussed on the known tin occurrences and workings dating back as far as the late 1800's. Even where there is significant new ground to explore and expand on, recent exploration has focused on previous workings. It appears very little attention has been paid to reconnaissance over other nearby areas such as the western portion of the Litchfield project. This includes limited work by Grigm Resources and Altura Lithium Operations, who have held ground over the Litchfield project (from 2008 to 2014) (Grigm Resources, 2014) (Altura Exploration, 2012).</p> <ul style="list-style-type: none"> <li>Picasso</li> </ul> <p>Historic exploration data was compiled from DMP open file (WAMEX) reports and othersources. Exploration has occurred within the project area for at least 40 years with many companies exploring for a number of different commodities during that time. Goldfields, Newmont, Sipa, Avoca and WMC amongst others, explored for lode style gold mineralization whereas Epsilon and CRA explored for uranium/lignite in palaeo-channels. Asarco, as one of the earlier explorers in the area explored for palaeo-placer deposits of both gold and uranium.</p>

<p><b>Geology</b></p>	<ul style="list-style-type: none"> <li>• <i>Deposit type, geological setting and style of mineralisation.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Litchfield Localised late-stage pegmatites have intruded into the heavily deformed Burrell Creek meta-sediment units in the immediate area. The pegmatites, which are the targets for lithium mineralisation in the Litchfield project area, are believed to ultimately originate from the Two Sisters Granite.</li> <li>• Picasso Pegmatites occur in the greenstones at the Mt Belches-Bald Hill pegmatite belt. Further, pegmatites have also been mapped in the Archaean granite in the Picasso Project. There are a large number of pegmatite occurrences, with 69 government mapped pegmatites throughout the Picasso Project area. The majority of the pegmatites occur in the east of the project area, though pegmatites are also recorded in the south and west of the project.</li> </ul>
<p><b>Drill hole Information</b></p>	<ul style="list-style-type: none"> <li>• <i>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:</i> <ul style="list-style-type: none"> <li>○ <i>easting and northing of the drill hole collar</i></li> <li>○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li>○ <i>dip and azimuth of the hole</i></li> <li>○ <i>down hole length and interception depth</i></li> <li>○ <i>hole length.</i></li> </ul> </li> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Litchfield N/A</li> <li>• Picasso Attached.</li> </ul>
<p><b>Data aggregation methods</b></p>	<ul style="list-style-type: none"> <li>• <i>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.</i></li> <li>• <i>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.</i></li> <li>• <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Litchfield N/A</li> <li>• Picasso Significant assays reported in Figure 5</li> </ul>
<p><b>Relationship between mineralisation widths and intercept lengths</b></p>	<ul style="list-style-type: none"> <li>• <i>These relationships are particularly important in the reporting of Exploration Results.</i></li> <li>• <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></li> <li>• <i>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’).</i></li> </ul>	<ul style="list-style-type: none"> <li>• Litchfield N/A</li> <li>• Picasso Down-hole lengths reported</li> </ul>
<p><b>Diagrams</b></p>	<ul style="list-style-type: none"> <li>• <i>Appropriate maps and sections (with scales) and tabulations of</i></li> </ul>	<p>Maps for each project are included in the announcement</p>

	<i>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.</i>	
<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>	Not applicable.
<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>	Commencement of due diligence on the Litchfield and Picasso Lithium Projects
<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>	Commencement of due diligence on the Litchfield and Picasso Lithium Projects. For the Litchfield Lithium Project, return of assays for circa 600 surface samples.

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**TABLE B1: PICASSO DRILLING DETAILS**

Hole_ID	MGA_North (m)	MGA_East (m)	AHD_RL	Total Depth (m)	Dip	Azimuth	Grid_ID	DrillDate	Hole_Type
NAC087	6454217.53	432545.8	347	33	-90	360	MGA51_94	12/12/2010	AC
NAC088	6454499.12	433188.06	345	13	-90	360	MGA51_94	12/12/2010	AC
NAC089	6454964.3	434047.27	336	23	-90	360	MGA51_94	12/12/2010	AC
NAC090	6455624.62	434645.26	329	13	-90	360	MGA51_94	12/12/2010	AC
NAC091	6456451.31	435179.29	319	13	-90	360	MGA51_94	12/12/2010	AC
NAC092	6457241.91	435793.71	315	48	-90	360	MGA51_94	12/12/2010	AC
NAC093	6458064.62	436321.52	317	26	-90	360	MGA51_94	12/12/2010	AC
NAC094	6458947.88	436697.52	319	20	-90	360	MGA51_94	12/12/2010	AC
NAC095	6459777.13	437250.49	327	13	-90	360	MGA51_94	12/12/2010	AC
NAC096	6460677.14	437633.9	329	16	-90	360	MGA51_94	12/12/2010	AC
NAC097	6461649.86	437873.71	322	31	-90	360	MGA51_94	12/12/2010	AC
NAC098	6462594.06	438145.5	330	13	-90	360	MGA51_94	12/12/2010	AC
NAC099	6463530.86	438497.13	337	13	-90	360	MGA51_94	12/12/2010	AC
NAC100	6464357.73	438985.3	337	31	-90	360	MGA51_94	12/12/2010	AC
NAC101	6465223.1	439392.89	338	15	-90	360	MGA51_94	12/12/2010	AC
NAC102	6466036.42	440055.5	334	43	-90	360	MGA51_94	12/12/2010	AC
NAC103	6466702.1	440423.38	340	49	-90	360	MGA51_94	11/12/2010	AC
NAC114	6461438.7	443489.47	321	13	-90	360	MGA51_94	13/12/2010	AC
NAC115	6462329.98	443763	334	31	-90	360	MGA51_94	13/12/2010	AC
NAC116	6463296.98	443875.8	335	13	-90	360	MGA51_94	13/12/2010	AC
NAC117	6464132.15	444309.43	330	13	-90	360	MGA51_94	13/12/2010	AC