3 July 2017

EUROPEAN LITHIUM INCREASES RESOURCES AT WOLFSBERG ADDING 4.7 MILLION TONNES AT 0.78% Li_2O IN ZONE 1

Highlights

- **Total resources increased to 11 million tonnes at 1.0% Li_2O**
- **Total lithium contained increased by 50%**

European Lithium Limited (ASX:**EUR,** FRA:**PF8**)(the **Company**) is pleased to declare an increase in the mineral resource following the recently completed deep drilling programme in Zone 1 at its advanced Wolfsberg Lithium Project (**Wolfsberg**), in Austria. This programme followed the declaration of a Measured and Indicated resource of 6.3 million tonnes at 1.17% Li_2O at 0% Li_2O cut-off in November 2016, increasing resources in zone 1 by 4.7 million tonnes at 0.78% Li_2O. The upgraded Wolfsberg resource is summarized in the following table.

Category	Million Tonnes	Grade (%Li_2O)
Measured	2.86	1.28
Indicated	3.44	1.08
Measured and Indicated	**6.30**	**1.17**
Inferred	4.68	0.78
Total Resources	**10.98**	**1.00**

Steve Kesler, CEO, said "The deep drilling confirmed that the resource extends down dip and significantly increases its size. The drilling also established potential for additional resources in the amphibolite both deeper and in a previously undrilled area. Together with the exciting potential of Zone 2 it is ever clearer that Wolfsberg hosts one of the major lithium deposits in Europe and one that can be a leading supplier to the emerging lithium battery industry of Europe."

The deep drilling results were reported in the ASX releases 'Drilling confirms extension of pegmatite veins to depth at Wolfsberg Lithium Project' on 18 April 2017 and 'European Lithium completes first deep hole drilling programme at Wolfsberg Lithium Project' on 31 May 2017.

The original drilling programme by the previous owners, Minerex, had shown the pegmatite veins to occur as numerous parallel veins dipping to the north east at an average angle of about 60°. The veins are aligned with the schistosity in both amphibolite (AHP) and mica schist (MHP) rock types and individual veins do not cross the amphibolite/mica schist lithological boundary. Drilling profiles along strike showed a maximum strike extension of 590 metres for AHP and 1300 metres for MHP with maximum extension down dip for both at 350 metres. The down dip extension was only limited by the depth of drill holes made at that time.

Many pegmatite intersections were encountered by the drilling profiles and from these 15 major veins were identified as of interest for mining because of their width and their continuity along strike and down dip. These veins were labelled numerically from 0 to 8 with some veins having divisions such as 3.1 and 3.2 for major branches. A mine access was developed by Minerex with tunnels following major veins in both AHP and MHP which confirmed the continuity of the veins along strike. A plan view of these veins is illustrated in Figure 1which also shows the mine access adit and tunnels (green).

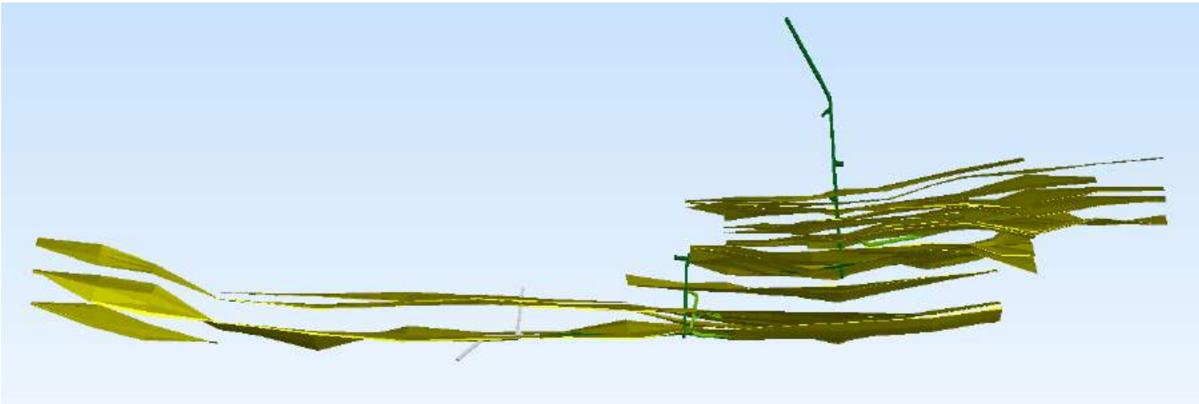

Figure 1: Plan view of identified veins in direction of general dip showing the continuity of the formations

The Minerex data was verified by twin hole drilling and channel sampling of veins underground as reported in an ASX release 'European Lithium verifies original Minerex data for use in JORC Code (2012) compliant resource modelling' on 16 November 2016. A Measured and Indicated resource of 6.3 million tonnes at 1.17% Li_2O was then declared and reported in an ASX release 'European Lithium declares 75% increase in JORC Code (2012) compliant resource tonnes' on 21 November 2016.

Mine-it, the independent mining consultant in Austria that performs the resource modelling for the project, and the geological team interpreted for each of the deep drill holes a connection between the known veins and intersections on the drill logs that were consistent with the general dip of the known veins. This methodology is illustrated for drill hole P15-17 in Figure 2.

The intersections which could be readily assigned to identified veins for each of the deep drill holes (P15-11, P15-14,P15-17 and P15-19) are shown in Table 1 with their vein assignment. In total 13 of the 15 identified veins were considered to have down dip extension.

An overview of the interpreted connections between identified veins and intersections of the deep drill holes is illustrated in Figure 3. Amphibolite lithology is indicated on the drill holes in green and mica schist lithology in yellow with pegmatite intersections in red. The significant pegmatite intersections in amphibolite 50-70 metres from surface seen in drill holes P15-14 and P15-19 and at 210 metres from surface in drill hole P15-19 were unexpected and in a previously undrilled area. They indicate a promising exploration target in connecting these intersections in the north west along strike in the amphibolite to the known AHP in the south east.

P15-17

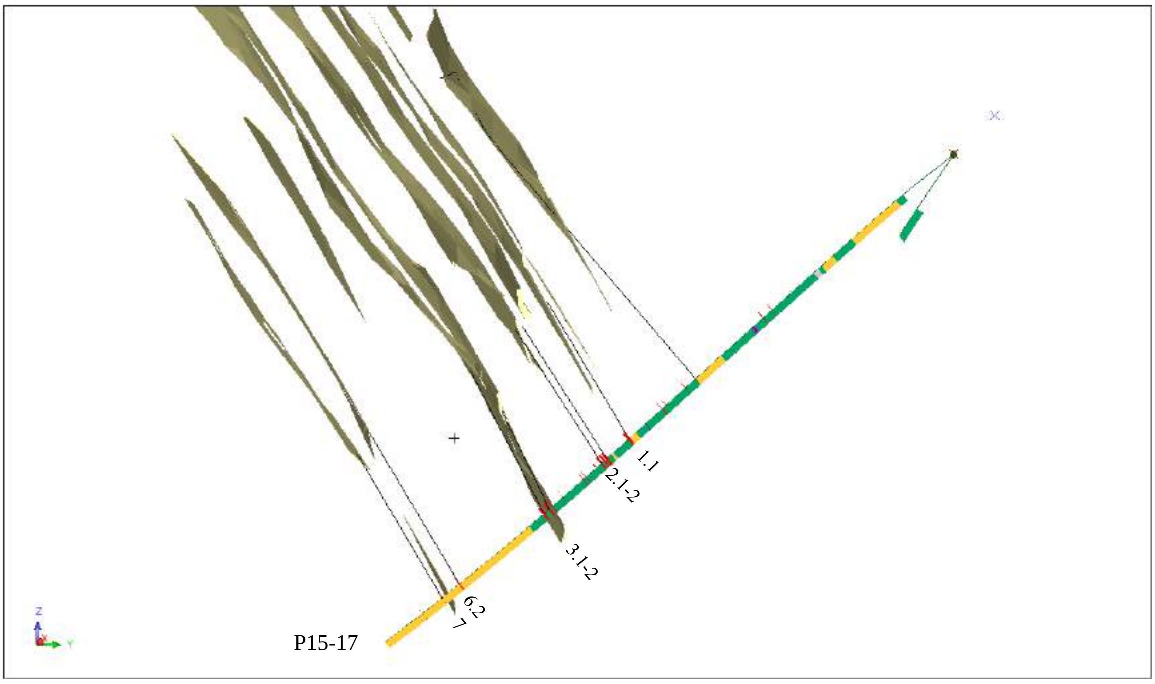

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Figure 2: Illustration of connecting intersections of deep drill holes to previously identified veins.

vein assignment (geometry)

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exploration drilling
overview

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borehole	from	to	code	product	geol.obj.
P15-11					
P15-11	257,8	258,2			0.0
P15-11	262,2	262,7			0.1
P15-11	273,7	274,3			0.2
P15-11	303,3	304,0			1.1
P15-11	307,0	309,5			1.2
P15-11	330,5	331,4			2.1
P15-11	372,5	373,2			3.2
P15-11	406,1	409,1			4
P15-11	482,5	483,4			6.1
P15-11	488,2	488,9			6.2
P15-11	502,6	503,1			7
P15-14					
P15-14	334,8	335,6			4
P15-14	376,1	376,9			6.1
P15-14	416,6	417,2			6.2
P15-14	461,0	464,6			7
P15-17					
P15-17	304,0	305,8			1.1
P15-17	324,7	328,4			2.1
P15-17	329,6	330,9			2.2
P15-17	377,8	379,6			3.1
P15-17	382,7	384,6			3.2
P15-17	459,5	460,3			6.2
P15-17	475,1	475,3			7
P15-19					
P15-19	341,9	342,3			4
P15-19	404,2	405,7			6.1
P15-19	422,8	424,0			6.2
P15-19	470,0	470,4			7

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Table 1: Assignment of pegmatite intersections to known veins (geol obj.)

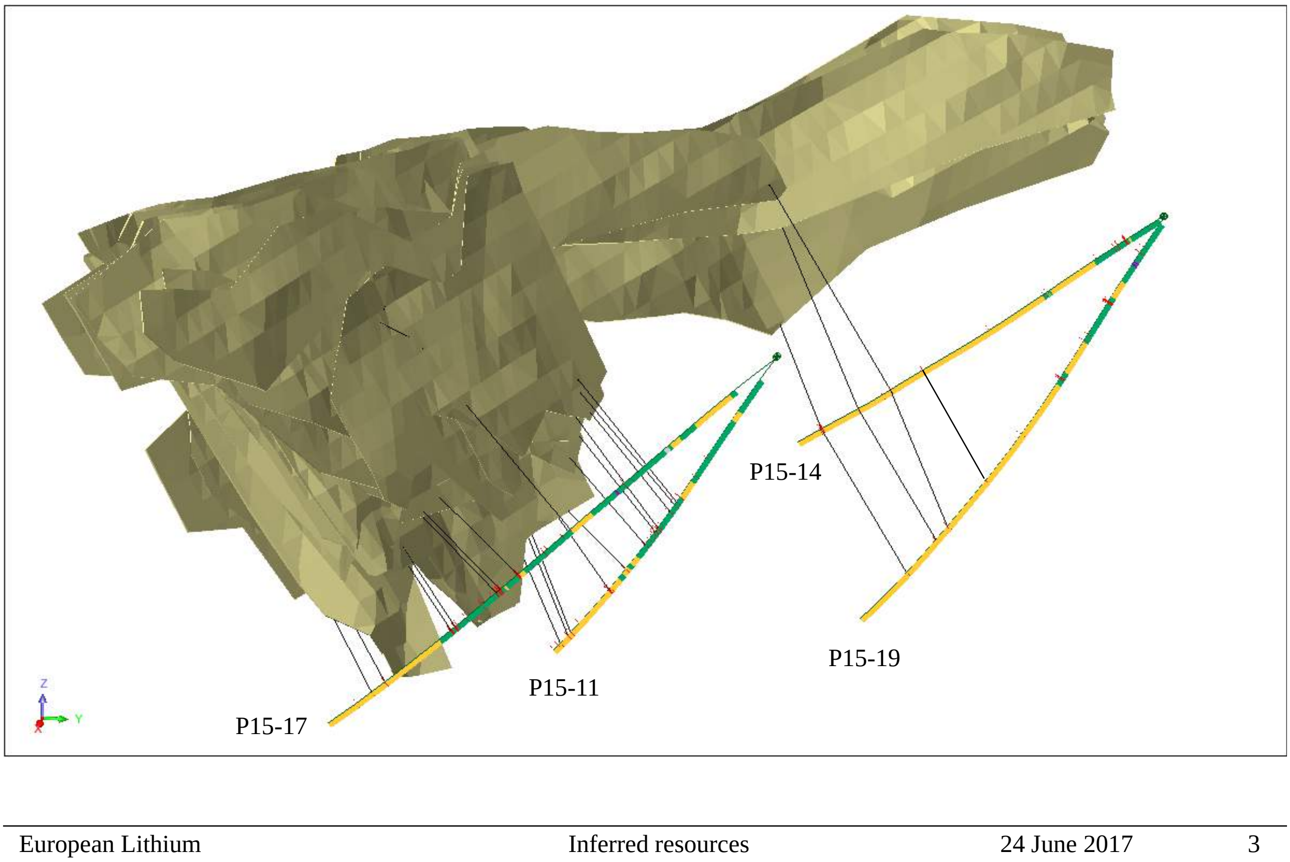

Figure 3: Illustration of connections between identified veins and intersections assigned to veins in drill holes

In the resource model each identified vein is separately represented by a projection onto a strike/dip plane with thickness and lithium grade as attributes modelled from the drill hole intersection thickness and lithium grade. Examples of the previous vein model with the vein extensions that have been inferred from the deep drilling are given for an AHP vein (vein 2.1) in Figure 4 and an MHP vein (vein 7) in Figure 5.

The original drill profiles and underground development by Minerex show that identified veins have good continuity along strike. Although there are only four deep drill holes along the strike length it is considered reasonable, based on the evidence of upper levels, to infer continuity along strike for the deeper intersections.

The veins have, therefore, been extended down dip for the 10 major veins to the assigned intersections of the deep drill holes and along strike to the extent that veins have been established to persist along strike at higher elevations.

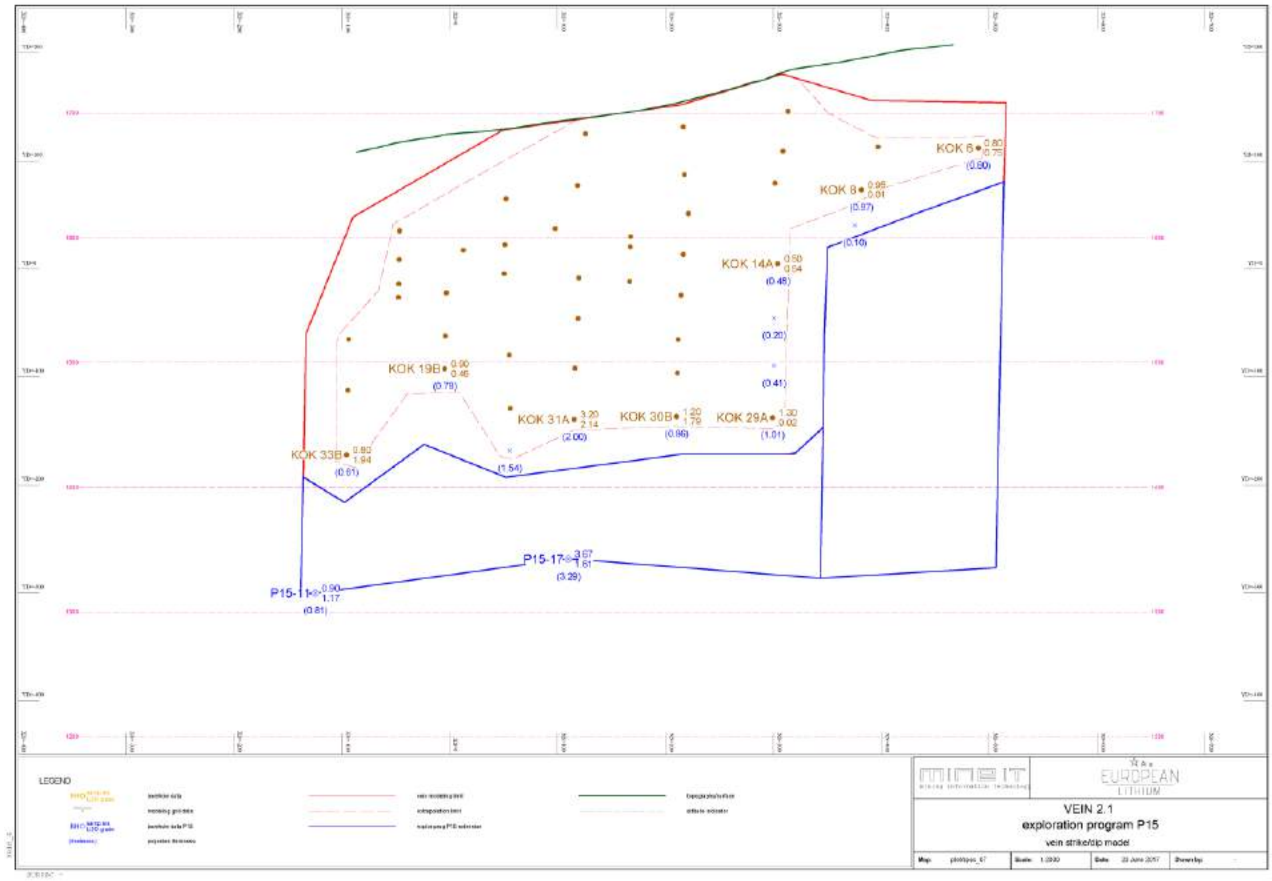

Figure 4: Strike/dip plot of vein 2.1 with current resource (red) and inferred resource (blue)

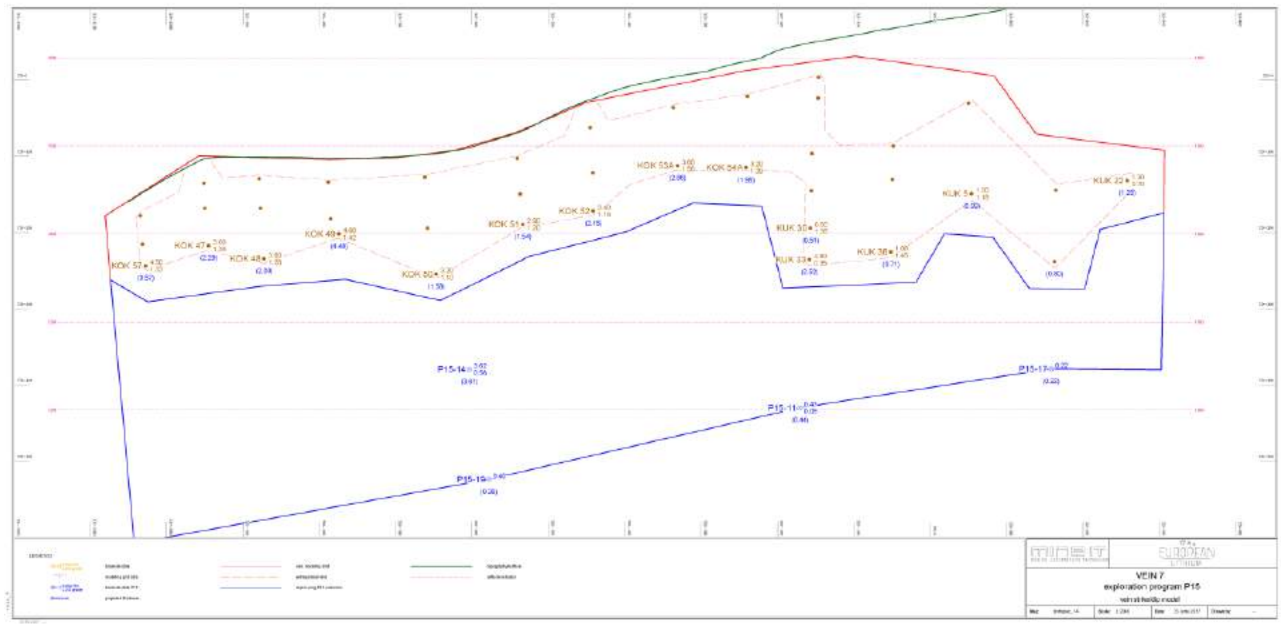

Figure 5: Strike/dip plot of vein 7 with current resource (red) and inferred resource (blue)

As a first estimate, the vein thickness and lithium grade for the vein extensions were calculated by taking the average of the thickness and lithium grade of the drill holes in the current JORC resource that are adjacent to the vein extension and the thickness and lithium grade of the deep drill hole intersections that were assigned to that vein.

The extension area and calculated average vein thickness and lithium grade for each of the 10 veins is presented in Table 2 together with the calculated tonnage of extension resource for each of the veins. The total for all veins is 4.68 million tonnes at an estimated weighted average grade of 0.78 % Li_2O and a weighted average vein thickness of 1.2 metres. This compares to an average grade of 1.17% Li_2O and an average vein thickness of 1.4 metres for the Measured and Indicated resource. The spacing between drill holes along strike and intersections down dip is such that the extension resource can only be considered as 'Inferred'.

Calculated inferred resource by vein

vein	area	P15-sample		adj. sample			inferred resources		
		Li2O	thick	Li2O	thick		tonnage	Li2O	thick
1.1	99.230	0,13	1,23	1,05	1,21		281.600	0,79	1,04
1.2	89.233	0,21	2,22	0,30	1,52		358.200	0,25	1,48
2.1	102.445	1,39	2,05	0,96	0,81		281.800	1,17	1,01
2.2	92.471	1,79	1,17	0,89	0,89		243.400	1,18	0,97
3.1	22.104	1,50	1,59	1,51	1,95		106.200	1,51	1,77
3.2	25.032	0,93	1,19	1,50	0,70		64.200	1,14	0,94
4	172.685	0,59	1,75	0,92	0,82		604.300	0,69	1,29
6.1	173.085	0,44	0,98	0,70	0,64		380.800	0,54	0,81
6.2	349.956	0,29	0,76	0,97	1,30		981.000	0,72	1,03
7	326.061	0,32	1,16	1,18	1,95		1.381.200	0,86	1,56
total	1.452.302						4.682.700	0,78	1,19

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Table 2: Calculated Inferred resource with lithium grade and thickness for each vein

The veins in AHP (veins 1.1 to 3.2) were extended down to a lower elevation of about 1300m RL and it is evident that the thickness of the veins persist to that level. Lithium grades also largely persist to this depth (apart from veins 1.1 and 1.2). This indicates that drilling the AHP deeper than 1300m RL should result in additional resource.

The veins in MHP (veins 4 to 7) were extended down to lower elevations of 1200-1250m RL for vein 4 and 1130m RL for vein 7. There were indications that the MHP veins are thinning out and decreasing in lithium grade with depth. It appears that a lower level of 1250m RL can probably be taken as a practical down dip extension of the resource.

The resource at Wolfsberg, comprising the previously declared Measured and Indicated resource and this Inferred resource is summarized in Table 3.

Category	Million Tonnes	Grade (%Li_2O)
Measured	2.86	1.28
Indicated	3.44	1.08
Measured and Indicated	**6.30**	**1.17**
Inferred	4.68	0.78
Total Resources	**10.98**	**1.00**

Table 3: Measured, Indicated and Inferred Resource in Zone 1

The resource has potential to be further increased in Zone 1 (the northern limb of the anticline) by drilling to extend the identified AHP veins deeper and by drilling along strike of the newly discovered AHP intersections which are to the north west of the known AHP veins.

Results from initial drilling in Zone 2 (the southern limb of the anticline) show wide high grade intersections in AHP which confirm the potential of this area to mirror the resources of Zone 1. Figure 6 illustrates the exploration targets for potential expansion of the resource.

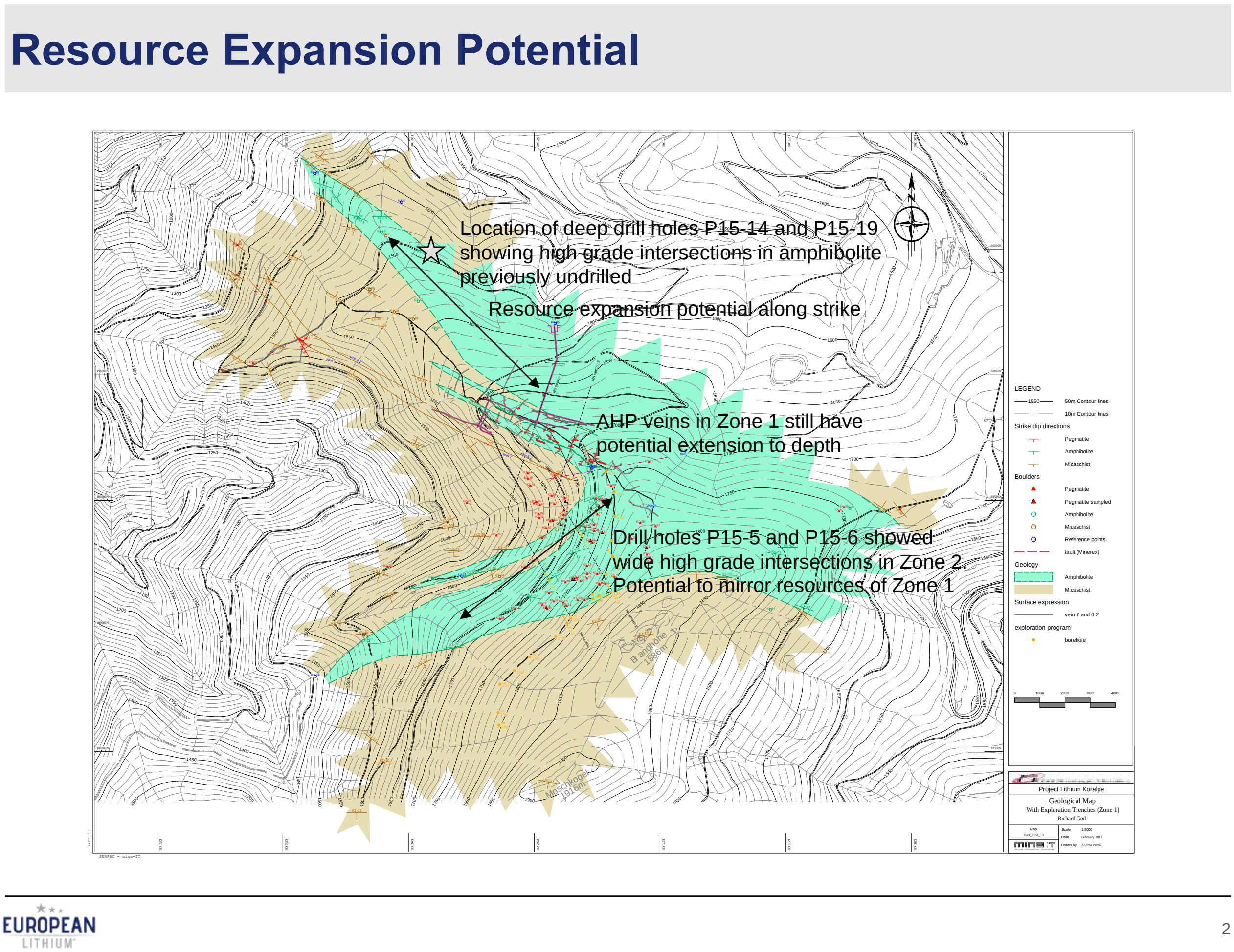

Figure 6: Schematic view of Zone 1 showing underground development and major identified veins and exploration targets for resource expansion

The Measured and Indicated resource will form the base data for the upcoming pre-feasibility study (**PFS**). Further drilling will be needed to upgrade the Inferred resource category to at least Indicated before it can be used in the PFS. However, it shows the potential for production capacity increase and/or mine life extension.

Dr Steve Kesler
Chief Executive Officer
European Lithium Limited

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

Competent Person's Statement

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

JORC Code, 2012 Edition – Table 1 report

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Diamond drilling used for material collection. European Lithium Limited completed assays for 4 drill holes (P15-11, P15-14 , P15-17 and P15-19) in Zone 1. • Drill hole size is considerably large and orientation is approximately perpendicular to the dip of pegmatite veins ensures that each sample is representative of veins through it passes. • After cutting, a ¼ split of HQ and ½ split of NQ are sent to ALS laboratories for analyses. • Samples are selected based on mineralization and lithology. Pegmatite intervals representing potential mineralization are visually distinct from other lithologies. Sampling in pegmatites is limited to intervals >0.5 m core length to reflect practical mining widths.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Percussion drilling technique was used to drill surface near weathered rock (Maximum depth 47 m, P15 -17). • After entering stable rock coring technique was used to collect material using HQ wireline diamond coring bit and 3 m length standard coring tube. Core diameter reduced to NQ at depth. • The drill core was not orientated.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Core recovery was measured for all runs and recorded into "Core Recovery Log" then later transferred into an excel spreadsheet template for import to the database. Core recovery is excellent and average is > 95 % and core recovery in pegmatite mineralization is above 98%. • To prevent disturbance of drilled material drill core was removed from the inner tube using water "pump up" adapter.
Logging	• *Whether core and chip samples have been geologically and*	• Both, lithology and geotechnical logging was undertaken by logging

Criteria	JORC Code explanation	Commentary
	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.*	geologists. • For lithology, logging descriptions were done over the full length of drill core on paper "Lithology Logging Form", recording rock type, color, foliation and structural characteristics, mineralogy, core recovery and a graphic log representative of the lithology. Paper logs are later transferred to excel spreadsheets template for import to the database. • The geotechnical logging is undertaken on a domain run interval basis with breaks made at points where the rock mass characteristics change. Data were recorded into previously prepared Excel spreadsheet logging templates. • Individual photographs of each core box are taken. To ensure consistency of the scale, a photographing frame to shoot down the core boxes at a fixed height is used so that each box filled the complete frame without cutting off edges of core boxes.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Only mineralized intervals are cut by half in first instance and then one of the pieces split in two quarters. The cutting is done by technicians and supervised by geologists. • Samples with visible mineralization (spodumene) are taken regardless of the lithology and grade and ranging from 0.5m to 1m in thickness. • All remaining core after sampling is stored on metal racks in the Wolfsberg core shed. • ¼ core samples are used as crush duplicates to monitor sample prep. error. Pulp duplicates are used to monitor laboratory error and as check 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 (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels*	• The QA/QC actions taken to provide adequate confidence in data collection and processing are discussed above. A general QAQC protocol involving duplicates in every stage (core duplicate, crush, pulp laboratory as well laboratory duplicates) is implemented. Duplicates, standards and blanks were introduced every 20 samples (5% frequency). Acceptable levels of accuracy for standards and blanks were obtained. • All sample preparation and assays were undertaken by ALS (Ireland) • Sample preparation was using ALS procedure PREP31Y

Criteria	JORC Code explanation	Commentary
	of accuracy (ie lack of bias) and precision have been established.	• Lithium analysis was using ALS procedure LIOG63 by four acid digestion and analyzed by ICP. • Combination of Rare Earth and Trace Elements including major oxides analyzed by ME-MS81 and ME-ICP06 including LOI.
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.*	• Mineralized intersections visibly identified and verified, and labeled by logging geologists. • An independent QP has verified the intersections. • All the primary data was transferred into standardized excel spreadsheet templates and imported into an Access database. • Li assays were converted to Li_2O for reporting using a conversion of $Li_2O\% = Li\% * 2.153$. • An electronic database containing collars, surveys, assays and geology is maintained by Mine-it, an independent Mining Information Management Consultancy in Leoben, Austria.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drill hole collar survey is conducted by an external licensed surveyor company, using a total station instrument 1600 Leica with standard accuracies of +/-2mm per kilometre. All coordinates are tied into the state triangulation network and provided in the Austrian Gauss Kruger co-ordinate system. • Drill hole deviation is carried-out by an external company Fugro GmbH. Deviation is measured using GDEV probe with deviation data exported at 5m intervals.
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 exploration drill holes aimed to the depth extension of the pegmatite veins and intersections with vein no. 7 between 1150 and 1250 m RL.
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.*	• Drill holes were oriented perpendicular to the dip of the pegmatite veins. • No sampling bias was introduced.

Criteria	JORC Code explanation	Commentary
Sample security	• *The measures taken to ensure sample security.*	• All drill core was placed into labelled PVC core boxes with drill hole and box number and run intervals. Drill core boxes were transferred to the secure Wolfsberg core shed and placed on racks. • All samples for sample preparation and assay were loaded into a truck and driven to ALS (Ireland) for handover. Chain of custody was followed insuring that only dedicated personal from ECM team and ALS lab had access to the sample at all stages of sampling process. • Remaining coarse and pulp duplicates is returned after assaying and stored in Wolfsberg coreshed.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• not applicable – the audit takes place after finalization of the campaign

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The 100% owned subsidiary in Austria, ECM Lithium AT GmbH, has 54 exploration licences in the Wolfsberg project area valid to 31 December 2019 and renewable for additional 5 year terms following demonstration that exploration work has been undertaken on any one licence in the preceeding 5 year term. • ECM Lithium AT GmbH has 11 mining licences in the Wolfsberg project area. These are held in perpetuity as long as the terms of the mining licence are met. These licences obligate the Company to mine for at least 4 months per year but this requirement has been suspended by the Mining Authority until 31 December 2017 to allow technical studies to be undertaken. • Land access is granted by the landowner who waived all rights to object to development of an underground mine on his land which is a commercial forest. ECM Lithium AT GmbH is obliged to pay the landowner compensation for use of forest roads and any emissions. This is documented in a waiver agreement dated 15 April 2011. A compensation rate of €2,000/month was agreed with the landowner in 2015 for this current work programme. There is a current dispute with the landowner which has been referred to arbitration. Meanwhile the compensation amount of €2,000/month is being paid. • ECM Lithium AT GmbH is obliged to pay a royalty of €1.50/tonne of

Criteria	JORC Code explanation	Commentary
		mineral sold from the licence area to Exchange Minerals Limited.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The project was previously owned by the Austrian state company, Minerex, who conducted extensive exploration of the project area in 1981-1987. In total 9,940m3 of surface trenches, 12,012m of diamond drilling from surface, 4,715m of diamond drilling from underground and 1,389m of underground mine development were undertaken.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The spodumene bearing pegmatites occur in a regional anticline in form of veins. The pegmatite veins are intruded into amphibolites and mica schists host rocks strictly concordant with their foliation. On the northern limb of this anticline which is known as Zone 1, the strata uniformly strike WNW-ESE (average 120°) and dipping to the NNE at an average of 60°. • The amphibolite hosted pegmatites (AHP) lie stratigraphically in the hanging wall position relative to the mica schist hosted pegmatites (MHP) although they overlap. The AHP has greyish to greenish spodumene crystals aligned sub-parallel to the pegmatite contacts and average about 2-3cm in length reaching a maximum of 15cm. They are more or less homogeneously distributed in a fine-grained matrix of feldspar and quartz with flakes of muscovite. The MHP lack the typical features and textures of pegmatites having undergone a penetrative metamorphic overprint almost completely recrystallizing the original pegmatitic minerals. The spodumene minerals are in form of mm sized lenticular grains embedded in to a very fine feldspar, quartz and muscovite matrix. • A comprehensive description of the geology and mineralization is provided in the 'Independent Geologists Report' contained within the 'Second Replacement Prospectus' of 28th July 2016 that can be found on the Company website www.europeanlithium.com
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in*	• All the drill collar, drilling, downhole survey and associated geochemical, and logging data was transferred to standardized excel spreadsheet templates for import to the Access database. • Drill hole collar location and elevation, azimuth, hole length and intercept depths are provided in ASX announcements issued by

Criteria	JORC Code explanation	Commentary
	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.*	European Lithium dated 16 November 2016, 21 November 2016, 18 April 2017 and 31 May 2017.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No cut-off grades were used. Pegmatite were sampled contact to contact and with sample lengths up to 1.0m were taken and aggregated to provide a composite grade for the width of the intersection.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• The drill holes were made generally perpendicular to the dip of the pegmatite veins and intersections are calculated as true widths.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Included
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Not applicable
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.*	• Bulk density (specific gravity) measurements were based on Archimedes method. All lithologies were tested for bulk density (specific gravity) in appropriate numbers to establish values. • Rock quality and geotechnical characteristics of rock were logged using a comprehensive geotechnical logging protocol developed by an independent geotechnical consultant.

Criteria	JORC Code explanation	Commentary
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Exploration drilling and trenching in Zone 2 has started and trenching as well as 3 three drill holes completed.

Section 3 Estimation and Reporting of Mineral Resources

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

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• Original data from Minerex was recovered from archives, collated, checked against multiple source data and scanned into the Access database. A programme of twin hole drilling and underground channel sampling verified the Minerex data for resource modelling • New data from current programmes are acquired and processed under a QA/QC procedure by the geologist in charge.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• The Competent Person visited site and assisted the Company in setting up comprehensive QA/QC protocols. A site visit to audit the application of those protocols was made in August 2016 and another in June 2017 with no deviations found
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• The fundamental basis of the geological interpretation (vein identification) was done by Minerex. By being in charge over the whole period of the exploration they are assumed to have the best knowledge about the deposit. The Geology adviser to the Company was the Chief Geologist in charge of the Minerex exploration. The geological experts in charge now have not detected any flaws in the previous works and interpretations. • Undeground mine development was carried out by Minerex to intersect the pegmatite veins and follow them by drifting along strike which confirmed the geological interpretation and demonstrated the vein continuity. • Extensive mineralogical studies were made as part of the metallurgical testwork programme of Minerex • Data comprise listings (samples, etc.) and a wide range of geological maps. Although not directly used for resource estimation they are extremely helpful for understanding the deposit characteristics. • So far no alternative interpretation of the geology has been

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		considered or appear appropriate. • The resource estimation recognizes the characteristics of the vein structure and makes estimates on a vein by vein basis • The pegmatite intrusion visibly shows continuity along strike as evidenced by the underground drifting. Continuity down dip is evidenced from borehole profiles • Intersections in the deeper drill holes have been assigned to previously identified veins on the basis of best fit to extension at the average dip angle.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The currently explored deposit has an extension in strike of 1500m. The maximum vertical extension of previous exploration is about 400m (1700m asl to 1270m asl), but varies along strike due to varying exploration strategies in the past. The current deep drilling programme has targeted vein intersections down to 1100m asl. The veins are steep to medium dipping and most of them have expressions on the surface. The AHP veins still show significant thickness and lithium grade to the deepest level drilled at 1300m asl which indicated further extension is possible. The MHP veins had a maximum intersection depth of 1130m asl and showed both a thinning of intersection width and decline in lithium grade with depth. It is believed that about 1250m asl will be the base of the economic resource • The width of the veins in the current resource averages 1.41m with maximum width recorded at 5.5m. Intersection lengths in the boreholes were logged but not sampled if less than 0.5m. The deep hole drilling indicated that the vein thicknesses persisted in the AHP down to 1300m asl but the MHP showed thinning with depth to 1130m asl. The average thickness of the resource extension was 1.2m compared to the 1.41m of the current resource
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.*	• For project evaluation vein thickness and grade are of paramount importance. For this situation a semi-3D modeling approach is most appropriate for both key figures. This is in particular true for vein thickness, which can by this approach be treated by statistical and numerical methods, while by alternative solutions it has to be indirectly derived from wireframed surface distance. The modeling was done with Surpac with some adaptations for this particular application. Interpolation parameters are derived from variography analysis. Variogram ranges are about 100m for thickness and 200m

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	• *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	for grade, however both with evidence of a significant nugget ratio. Search distance is 150m for both. Extrapolation is limited by two manually defined boundaries. One boundary represents a hull of the samples (no extrapolation), while the second allows for a moderate extrapolation of 20-40m. Parameters refer exclusively to the strike/dip extension, as thickness is a model parameter. Geologically a distinction between host rock (amphibolite or mica schist) is of importance. Currently too few data are available for detecting and applying modeling parameters for these types separately. • The results so far correlate well with prior publications of Minerex. In the very beginning of the project the veins were modeled by standard wireframing with very similar results as far as volume is concerned. • The resource estimation does not consider by-products however the potential for by-products leads to a zero Li_2O cut-off being used for the estimation. By products are not yet implemented in the resource model. • The only element that is of potential concern is Fe_2O_3 concentration of the spodumene concentrate. That may limit access to the high quality glass/ceramic market but is of no concern if converting to lithium carbonate/hydroxide • The block dimension of the model is 25m x 25m (with variable thickness). The size is very much determined by assumed stope dimensions rather than blast dimensions. This is because the mining methods under consideration have to extract the full panel size of a stope. Likewise a modeling of the transverse grade distribution is not relevant because the whole width has to be mined as a total. • Selectivity in mining is assumingly limited to selection and dimensioning of stopes. Future deposit modeling investigations will focus on vein regularity because this is of relevance for dilution. • Currently only thickness and grade is under investigation. No reasonable correlation exists for these two parameters. • The geological interpretation refers to the vein identification, i.e. assigning distinct drill hole intersections to a distinct vein. This is done primarily on basis of the global geological structure, which is fairly well known. For adjacent located veins however this is sometimes ambiguous. This is the prime basis for modeling, as modeling handles only the interpolation between these geologically defined nodes for each vein. • Before modelling an intensive study on the sample data (grade,

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		partially thickness) was conducted. The distributions of both are actually very close to a gaussian distribution and do not show any tendency for outliers. Hence no particular measures for capping must be applied. • Model results are always statistically compared with sample data. As far as possible this is done also for groupings such as by the host rock type. Comparisons were also done with records from former drifting. An essential part is also the evaluation of the plausibility of vein identification, which is still in progress. • The estimation of the inferred resource extension was made by interpreting the best connections between known veins and the intersection in the deep drill holes assuming the average dip angle. For each vein the strike/dip plot was extended down dip to the deep drill hole and along strike to the extent of strike length used in previous resource modelling for that vein. This was considered reasonable in light of the vein continuity seen along strike at the upper levels of the resource. • The vein thickness was taken as the average thickness of the adjacent drill holes in the vein i.e.lower level of the current resource model and the data from the new deep drill holes. The same was applied to lithium grade. • The area of the extension to the strike/dip plot and the average vein thickness was used to calculate the extension resource tonnage for each vein. • No cut-off grade was applied for the inferred resource extension as was the case for the current resource where the veins are to be mined contact to contact.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	The principle calculation is a volumetric one based on vein geometry. For the transformation into tonnage the density figure determined during data validation is used (dry). Considerations on moisture will be subject of the mining investigations.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	Currently no cut-off for either thickness or grade is used. Indirectly a cut-off for thickness occurs because only samples with a length of more than 0.5m are sampled and hence only these contribute to the resources. No grade cut-off has been used as the Minerex data indicated that 74% of the pegmatite reported to saleable product and there were very limited zones of lower grade material

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Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• Currently no particular assumptions for mining methods are made. This is with the exception of the full-vein-width (semi 3D) modeling approach. This is based on the assumption that in every case the full width has to be mined and no selectivity is conceivable for any separation within the vein. For this reason the modeled grade includes also the dilution due to interbeddings which are observed occasionally. • A conceptual mine design by SRK concluded that long hole open stoping is the most appropriate mining method. Minimum sampling width was 0.5m. The minimum mining width is considered as 1.2m. Studies have shown that dilution from mining can be almost completely rejected by sensor based sorting. 13% of the sample composites had interbedding which has been included as internal dilution within the resource estimate.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	Testwork by Dorfner Anzaplan has shown that a 6% Li_2O spodumene concentrate can be produced by sorting, crushing, grinding, magnetic separation and flotation. Saleable by-products of feldspar and quartz were also obtained which have value with the projects location in Central Europe Testwork also demonstrated that the spodumene concentrate was amenable to conversion to battery grade lithium carbonate
Environmen-tal factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• It is envisioned that the waste from mining and processing will be utilized as fill in the mine and that there will be no permanent waste dumps or tailings dam.. • The mine area is in a commercial forest and there are no nature conservation or water protection zones.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity,*	• The measurements of density for pegmatite and the major host rocks, amphibolite and mica schist, were made during the recent twin hole drilling programme. For mineralized pegmatite zones routine density information was determined at regular intervals every 0.5m • The procedure follows Archimedes method weighing samples of full core diameter in 10-15cm lengths in air and in water.

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	etc), moisture and differences between rock and alteration zones within the deposit. • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• Results obtained were Pegmatite 2.72+/- 0.06 (54 samples), Amphibolite 3.08+/-0.10 (145 samples) and Mica Schist 2.85+/-0.07 (136 samples) •
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• In this particular case the former exploration activities comprise also underground drifts following some selected veins. In this way the continuity of the veins can be demonstrated and investigated very easily, as well as the reasons for the occurrence of disturbances. This appraisal is supported by the statistical analysis of the variability based on the drillhole data. • Measured resource has been considered for the veins immediately above and below the underground workings that visibly show continuity to the extent of the underground drilling which results in profiles at 50m along strike. • Indicated resource was considered for the main cross sections where there were at least 3 drill holes not more than 50m apart. • Inferred resource was considered as that material not included in the previous definitions. This includes all the resource from the deep hole drilling programme
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• The resource estimate has been prepared by Mine-IT Sanak Oberndorfer after consultation with the project geologists and geological adviser and audited by the independent Competent Person
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• The relative accuracy of the Mineral Resource estimate is reflected in the reporting of the Mineral Resource as per the guidelines of the JORC Code (2012) • The resource estimate refers to global estimates of tonnes and grade