



21 September 2015

Mt Marion Lithium Project

New Mineral Resource Estimate and Exploration Target

HIGHLIGHTS

- **60% increase in contained Lithium**
- **Total Indicated and Inferred Mineral Resources of 23.24Mt at 1.39% Li₂O**

Neometals Ltd (ASX: NMT) ("Neometals") and Mineral Resources Limited (ASX: MIN) ("MIN" – via its wholly owned subsidiary Process Minerals International Pty Ltd ("PMI")), as joint owners of the Mt Marion Lithium Project ("Project") via Reed Industrial Minerals Pty Ltd ("RIM"), are pleased to announce a new Mineral Resource Estimate for the Mt Marion lithium project prepared by Snowden Mining Industry Consultants ("Snowden").

The results of the study have increased the Mineral Resource Estimate to Indicated and Inferred Mineral Resources of 23.24Mt at 1.39% Li₂O and 1.43% Fe₂O₃, at a cut-off grade of 0% Li₂O (Table 1 and Appendix A), compared to 14.8Mt at 1.3% Li₂O, at a cut-off grade of 0.3% Li₂O previously. This represents a substantial increase in the size of the mineral resource, equating to a 66% increase in the total contained lithium at the Project. The zero cut-off grade reflects the strategy of mining to the lithium-bearing pegmatite contacts. A grade-tonnage curve is included for transparency (Figure 5).

Table 1 Mt Marion Resource Table for 0% Li₂O cut-off

Category (JORC, 2012)	Tonnage (Mt)	Li ₂ O (%)	Fe ₂ O ₃ (%)
Indicated	10.05	1.45	1.33
Inferred	13.19	1.34	1.50
Total	23.24	1.39	1.43

Figure may not sum due to rounding
Significant figures do not imply an added level of precision

1 Mt Marion Mineral Resource estimate

The Mineral Resource for Mt Marion was previously estimated by H&S Consultants Pty Ltd ("H&S") in 2011. The reporting of this resource estimate was then updated by H&S in 2013 to comply with the 2012 edition of the JORC Code. At the request of Neometals in July 2015, Snowden completed a high level review of the 2011 Mineral Resource estimate; the review was limited to the Area 1 deposit. Due to the sub-optimal orientation of the search ellipse, a significant number of blocks were not estimated and in Snowden's opinion, the tonnage estimate was consequently very conservative. Moreover, Snowden believes that a Measured Resource is not justified based on the grade continuity and assessment of the data quality. Based on this review, RIM decided to re-estimate the Mt Marion Mineral Resource. Snowden notes that no additional drilling has been conducted at Mt Marion since the previous estimate in 2011.

The Mt Marion lithium mineralisation is hosted within a number of sub-parallel, northeast to northwest trending pegmatite intrusive bodies which dip at between 10° to 30° to the west. Individual pegmatites vary in strike length from approximately 300 m to 700 m and average 15 m to 20 m in thickness, but vary locally from less than 2 m to up to 35 m thick. The pegmatites intrude the mafic volcanic host rocks of the surrounding greenstone belt.

The lithium occurs as 10 - 30 cm long grey-white spodumene crystals within medium grained pegmatites comprising primarily of quartz, feldspar, spodumene and muscovite. Typically the spodumene crystals are oriented orthogonal to the pegmatite contacts. Some zoning of the pegmatites parallel to the contacts is observed, with higher concentrations of spodumene occurring close to the upper contact.

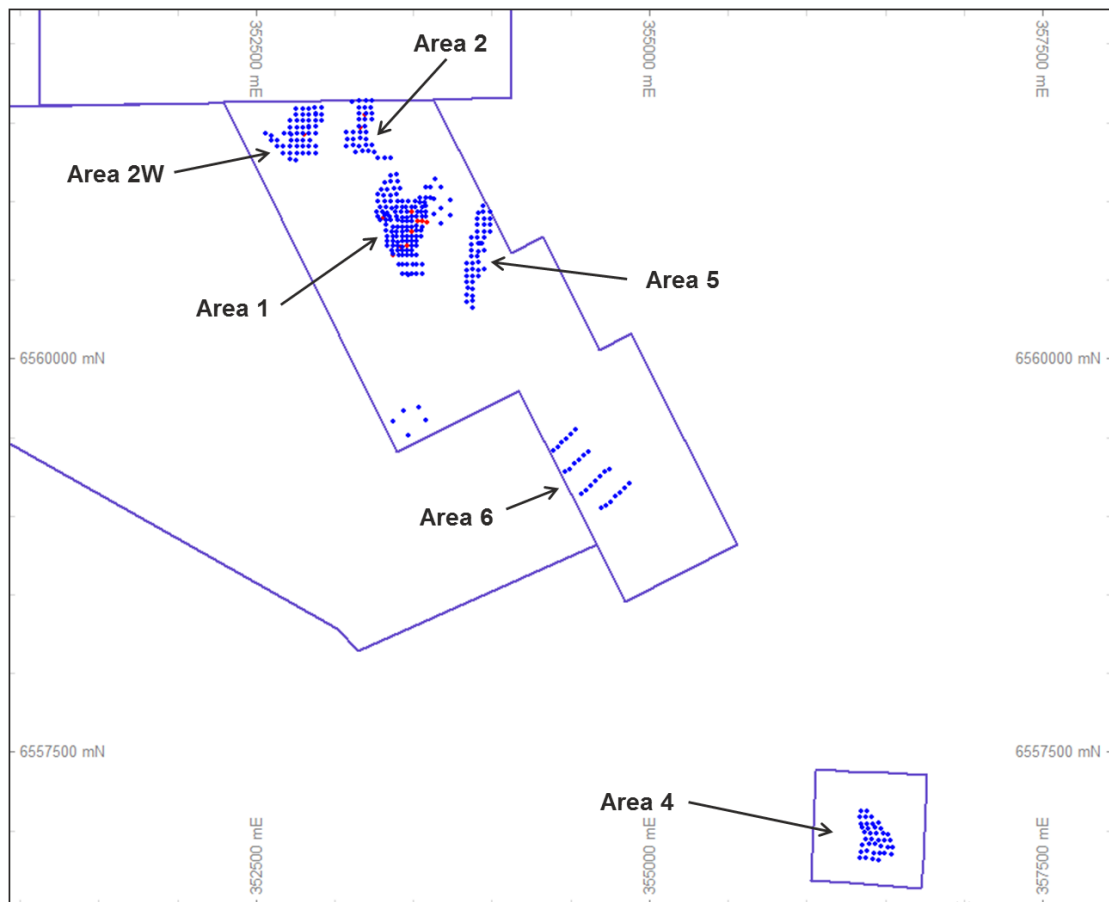
The lithium mineralisation was interpreted as solid wireframes by RIM in 2011 in both section and plan based largely on the geological logging of pegmatite intersections, along with a nominal 0.4% Li₂O threshold. Snowden reviewed the 2011 geological interpretation and believes that it is reasonable given the available data and as such, the geological interpretation of the mineralised pegmatite remains largely unchanged from the 2011 resource estimate.

The majority of the deposits have been drilled on a nominal 40 mE by 40 mN drill spacing, with the drill sections oriented east-west. Drilling within the Area 1 deposit is down to 25 m to 30 m. Drilling within Area 6 is based on a drill spacing of 160 m along strike by 40 m across strike, with the drill sections oriented northeast-southwest.

A total of 359 drillholes have been drilled to date totalling approximately 19,546 m in length. The majority of the drilling is reverse circulation ("RC") drilling which comprises some 97% of the drilled metres with the remainder drilled using diamond core drilling. Initial drilling at Mt Marion commenced in the early 1970s, however the vast majority of the drilling, approximately 97% of the drilled metres, was completed by Reed Resources Ltd and RIM between 2009 and 2011.

Samples from RC drilling were collected using a static cone splitter mounted below the cyclone. A nominal 2-3 kg sample was collected for each metre in a numbered and ticketed calico sample bag, with the remaining residue collected in numbered green plastic sample bags. RIM indicated that very little water was encountered during drilling and predominately dry samples were collected. Cleaning of the cyclone was reportedly by compressed air between each sample. RIM report that the RC recovery was estimated for 76 RC drillholes during the 2011 drilling campaign at the Area 4 deposit by weighing the residue bags with an average recovery of 95% (with a range of 86% up to 100% recovery). Based on the geological logging, along with inspection of the residue bags, samples with pegmatite intersections were selected for assaying. Samples outside the pegmatite have not been assayed.

Figure 1 Drillhole collar location plan



Samples were forwarded to the Genalysis laboratory in Kalgoorlie for sample preparation. The pulps were then sent to the Genalysis laboratory in Perth for analysis. The Li_2O assay was determined using a four-acid digest followed by determination of the Li_2O content by atomic absorption spectroscopy ("AAS") with a detection limit of 1 ppm. An additional test portion was analysed by X-ray fluorescence ("XRF") for up to a further 13 elements, with the total loss-on-ignition determined by TGA at 1000°C.

For the drilling conducted after 2009, in-house standards along with field duplicates were inserted into the sample batches to monitor the analytical accuracy and precision of the sampling. In Snowden's opinion, the results show that reasonable accuracy and precision was achieved during sampling, sample preparation and assaying. However, Snowden notes that the in-house standards do not have a certified expected value or standard deviation and only provide an indicative assessment of the analytical accuracy.

The sample data was coded within the mineralisation wireframes along with the oxidation surfaces. Compositing was completed within the geological domains based on a 1 m downhole compositing interval. Variable length compositing was used to ensure that no residual composites were created. Variograms were generated to assess the spatial continuity of the various elements and as inputs to the kriging algorithm used to interpolate grades.

Eleven bulk density measurements have been completed to date. Based on the limited measurements available, Snowden applied default bulk densities to the block model based on the rock type and oxidation state. For the pegmatite, default bulk densities of 2.60 t/m³, 2.65 t/m³ and 2.70 t/m³ for the oxide, transitional and fresh material respectively were applied.

A block model was constructed based on a parent block size of 15 mE by 15 mN by 1 mRL, with a minimum sub-block size of 5 mE by 5 mN by 0.5 mRL. The chosen parent block size is based on the nominal drillhole spacing along with consideration of the geometry of the mineralisation and the results of the grade continuity analysis. Snowden estimated Li₂O, Fe₂O₃, Al₂O₃, CaO, K₂O, LOI, MgO, MnO, Na₂O, P₂O₅, SiO₂, Ta and TiO₂ grades using ordinary block kriging (parent cell estimates) using Datamine Studio 3 software. Due to the variable dip of the pegmatites, dynamic anisotropy was used to locally adjust the orientation of the search ellipse and variogram models. The initial search ellipse of 50 m by 35 m by 4 m was defined based on the results of the variography and assessment of the data coverage. A minimum of 8 and maximum of 20 samples was used for the initial search pass, with no more than 4 samples per drillhole.

The block grade estimates were validated visually on section, along with a global comparison of the average composite (naïve and declustered) and estimated block grades; and moving window averages comparing the mean block grades to the composites. The conclusions from the model validation work shows that with the exception of poorly sampled regions the grade trend plots show a good correlation between the patterns in the block model grades compared with the drillhole grades.

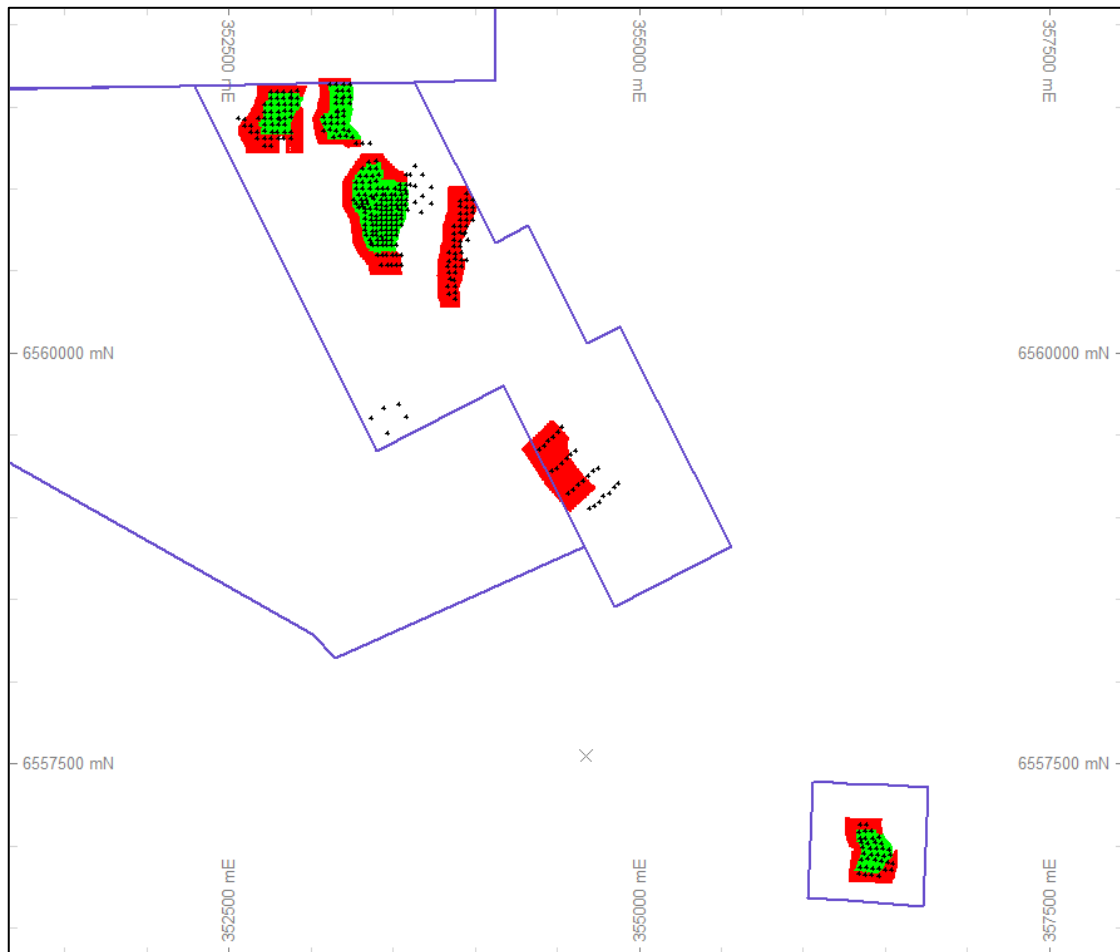
The Mineral Resource has been classified as a combination of Indicated and Inferred Resources using the following criteria:

- Indicated Resource – Area 1, 2, 2W and 4 mineralisation with good geological continuity and defined by drilling on a 40 mE by 40 mN grid or better.
- Inferred Resource – mineralisation with poor geological continuity or which is defined by drilling on a grid greater than 40 mE by 40 mN. Area 5 and 6 are classified as Inferred in their entirety.

Extrapolation beyond the drilling is limited to approximately one drill section in most cases. Mineralisation extrapolated beyond this limit remains unclassified and has been excluded from the Mineral Resource.

The resource classification scheme for the September 2015 Mineral Resource estimate is shown in Figure 2.

Figure 2 Mineral Resource classification scheme (red = Inferred; green = Indicated)



The total Mineral Resource for the Mt Marion lithium deposit, reported above a 0% Li_2O cut-off grade, is estimated to be 23.24 Mt grading at 1.39% Li_2O and 1.43% Fe_2O_3 (Table 2). Snowden and RIM anticipate that the pegmatite unit would likely be mined non-selectively to the contacts and believe that reporting the resource using a 0% Li_2O cut-off grade is appropriate. Snowden notes that the sensitivity of the Mineral Resource to the reporting cut-off grade is negligible at cut-offs below 0.7% Li_2O .

Table 2 Mt Marion Mineral Resource as at September 2015, reported above 0% Li₂O cut-off

Classification	Deposit	Tonnes Mt	Li ₂ O %	Fe ₂ O ₃ %
Indicated	Area 1	4.43	1.46	1.32
	Area 2	1.30	1.47	1.60
	Area 2W	3.39	1.48	1.24
	Area 4	0.94	1.25	1.36
	Indicated Total	10.05	1.45	1.33
Inferred	Area 1	2.16	1.34	1.59
	Area 2	1.01	1.44	1.72
	Area 2W	4.52	1.40	1.13
	Area 4	1.33	1.34	1.33
	Area 5	0.96	1.33	2.44
	Area 6	3.21	1.24	1.69
	Inferred Total	13.19	1.34	1.50
	Grand Total	23.24	1.39	1.43

While exercising all reasonable due diligence in checking and confirming the data validity, Snowden has relied largely on the data as supplied by RIM to estimate and classify the Mt Marion Mineral Resource. As such Snowden accepts responsibility for the resource modelling and classification while RIM has assumed responsibility for the accuracy and quality of the underlying drilling data.

Competent Person's Statement – Mineral Resources

The information in this report that relates to the Mt Marion Mineral Resource estimate is based on information compiled by John Graindorge who is a Chartered Professional (Geology) and a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity to which he is undertaking 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". John Graindorge is a full-time employee of Snowden Mining Industry Consultants Pty Ltd and consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

2 Exploration Target

In Snowden's opinion, there are seven main targets (Figure 3) for expanding the current Mt Marion resource, namely:

- Extension of Area 2 and Area 2W to the north (collectively known as Area 3).
- The region between Area 1 and Area 2, where the upper Area 1 mineralisation is interpreted to join with the Area 2 mineralisation.
- The region between Area 2 and Area 2W, where the Area 2 mineralisation is interpreted to join with the deeper mineralisation intersected in Area 2W.
- Along strike extension of lower Area 1 mineralisation to the north, in the region to the east of Area 2.
- Extension of Area 1 along strike to the south.
- Extension of Area 2W along strike to the south.
- Extensions of Area 6 mineralisation along strike to the northwest and down dip to the southeast.

Snowden estimates an Exploration Target (as defined in Clause 17 of the 2012 edition of the JORC Code) for Mt Marion of approximately 15Mt to 25Mt at an average grade of between 1.3 to 1.4% Li₂O. Snowden notes that the potential quantity and grade is conceptual in nature, that there has been insufficient exploration to estimate a Mineral Resource and that it is uncertain if further exploration will result in the determination of a Mineral Resource in these areas.

The Exploration Target is based on the following assumptions:

- The Exploration Target is based on extrapolation of the Li-bearing pegmatite mineralisation defined in the current Mt Marion Mineral Resource estimate, compiled by Snowden in September 2015.
- Wireframes were modelled in each of the target areas by extrapolating the current mineralised pegmatite to determine the potential volume of Li-bearing pegmatite (Figure 10.2).
- Outcrop mapping to the north of Area 2 and 2W show continuation of the pegmatite beyond the mineralisation defined for the 2015 Mineral Resource. This was confirmed during Snowden's 2015 site visit.
- An average bulk density of 2.69 t/m³ for the pegmatite (2.60 t/m³ oxide, 2.65 t/m³ transitional and 2.70 t/m³ fresh).
- It is assumed that the majority of the pegmatite will have reasonable prospects for eventual economic extraction. This is in line with the current Mineral Resource estimate.
- The overall average grade of the pegmatite based on the 2015 Mineral Resource estimate is 1.39% Li₂O, but varies from 1.2% Li₂O in Area 6 up to 1.45% Li₂O at Area 2.
- Approximately 30,000 m of drilling has been designed to assess the Mt Marion Exploration Target and is planned by RIM to commence in the fourth quarter of 2015.

Competent Person's Statement – Exploration Target

The information in this report that relates to the Mt Marion Exploration Target is based on information compiled by John Graindorge who is a Chartered Professional (Geology) and a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity to which he is undertaking 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". John Graindorge is a full-time employee of Snowden Mining Industry Consultants Pty Ltd and consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Chris Reed, Neometals Managing Director commented:

"The new estimate by Snowden confirms Mt Marion's place amongst the world's largest and highest grade deposits. A new mining study based on the expanded resource is expected to increase the mining inventory and potential processing rates as we move into the construction phase in the coming weeks."

Figure 3 Mineral Resource Estimate and Exploration Target outlines over tenure

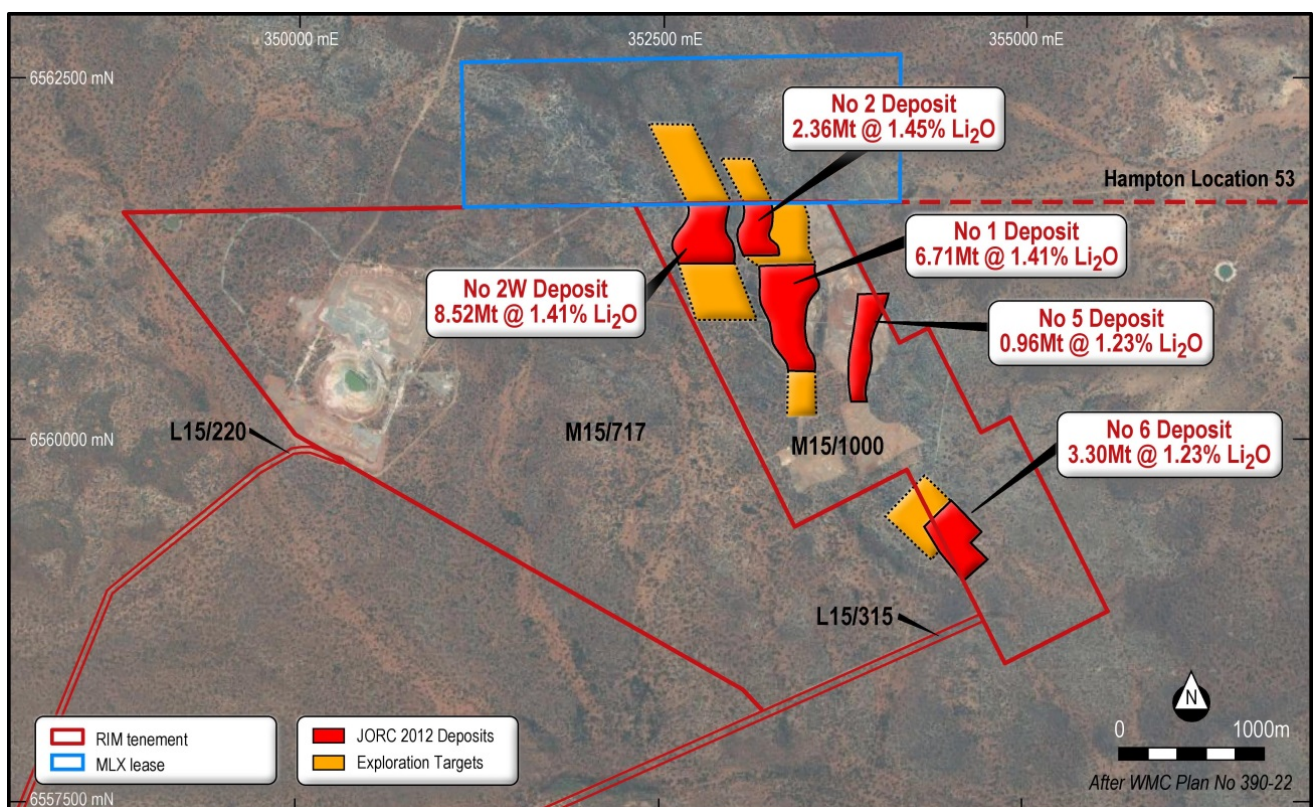


Figure 4 and 5 Representative Cross Sections with Lithium Intercepts

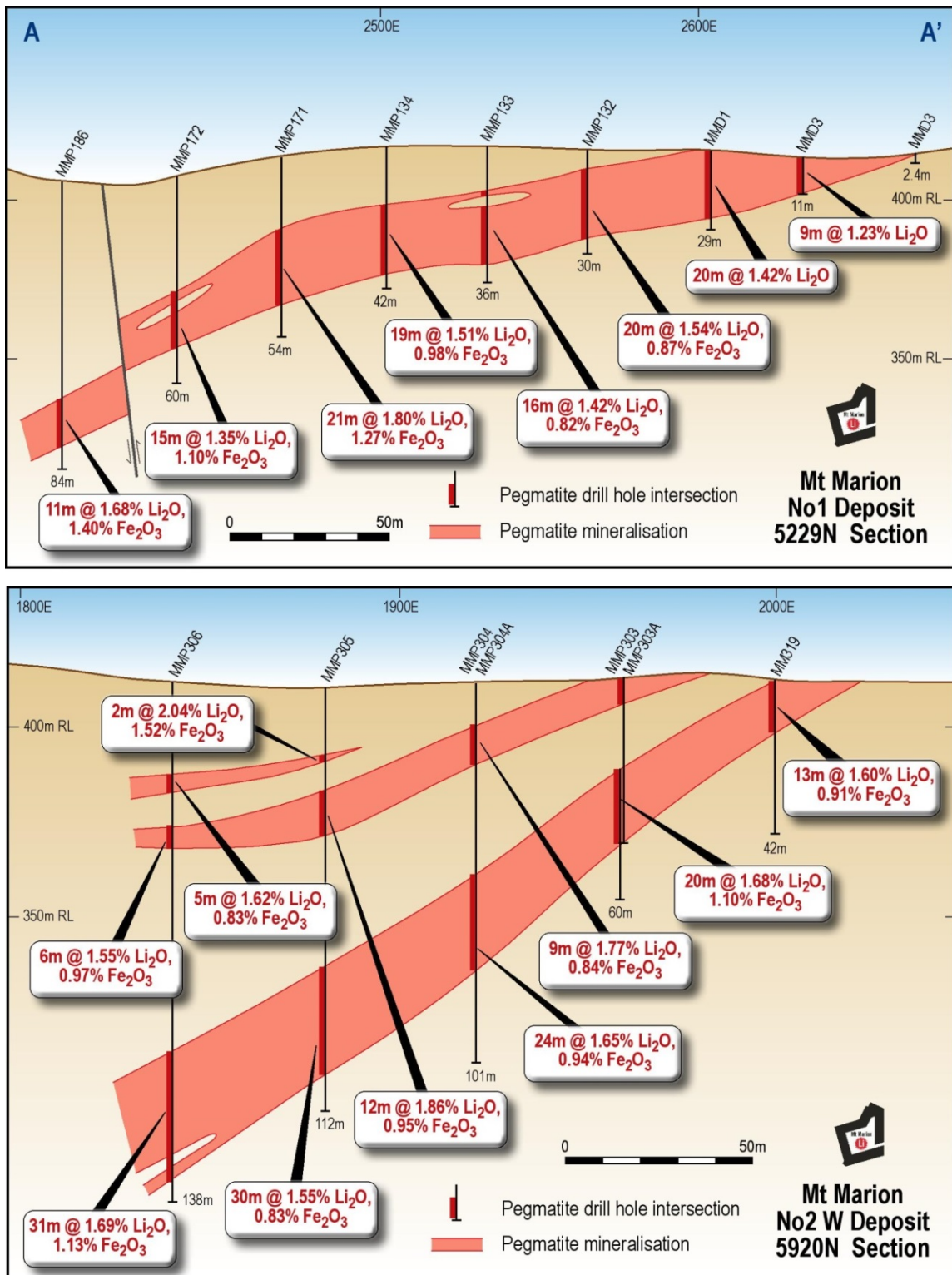


Figure 6 Resource Grade - Tonnage Curve at varying cut-off grades (0.0 – 2.0% Li₂O)

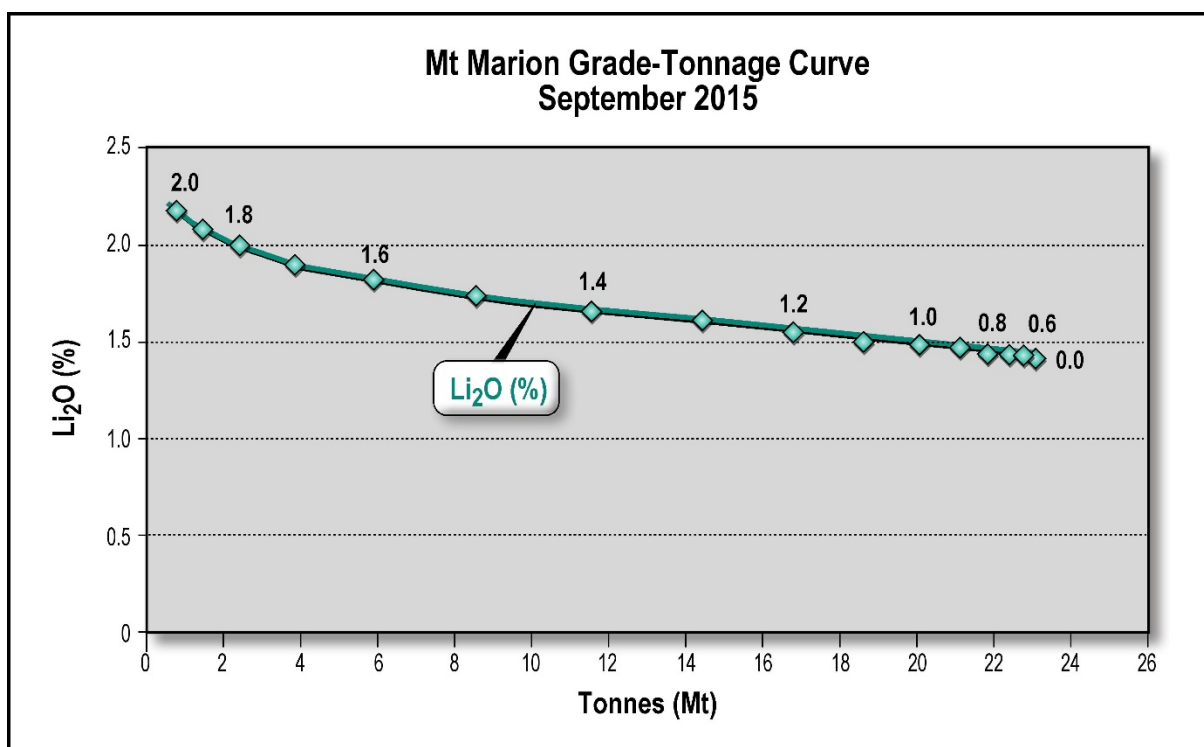


Table 3 Comparison of Producer and Emerging Producers of Lithium in Australia

Comparison of Producers and Emerging Producers of Lithium in Australia

Company / Deposit	Measured Resources		Indicated Resources		Inferred Resources		Total Resources	
	Million tonnes	Grade % Li ₂ O	Million tonnes	Grade % Li ₂ O	Million tonnes	Grade % Li ₂ O	Million tonnes	Grade % Li ₂ O
(a) Tailison Greenbushes	0.6	3.20	117.9	2.40	2.1	2.00	120.6	2.40
Neometals Mt Marion	-	-	10.05	1.45	13.19	1.34	23.24	1.39
(b) Altura Pilangoora	-	-	19.8	1.21	6.3	1.20	26.1	1.20
(c) Pilbara Minerals	-	-	4.7	1.36	15.7	1.10	20.5	1.16
(d) General Mining Mt Callin	2.5	1.20	9.5	1.06	4.3	1.07	16.4	1.08

Sources:

- (a) Talison Lithium Limited N143-101 Report 21 December 2012
 (b) Altura Mining ASX Release 14 September 2015
 (c) Pilbara Minerals ASX Release 2 June 2015
 (d) General Mining Corporation ASX Release 4 August 2015

Note: Variances exist in cut-off grades and other parameters. please refer to the respective company release for full details on Mineral Resource estimates.

ENDS

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Appendix : JORC Table 1

JORC (2012) Table 1 – Section 1 Sampling Techniques and Data	
Item	Comments
Sampling techniques	The bulk of the data used for resource estimation is based on the logging and sampling of RC drilling (approximately 97% of the data). RC samples were collected at 1m intervals using a static cone splitter. Sample bags are pre-numbered and ticketed.
Drilling techniques	- The vast majority (97% of drilled metres) of drilling was completed using vertical RC holes using a face sampling bit. - Some diamond core drilling (HQ3 and PQ3 diameter core) was undertaken to collect samples for density analysis and metallurgical/geotechnical test work. Additionally, most of the diamond core drilling was undertaken to validate the RC drilling data by twinning. - Historical drilling completed in the 1970s accounts for approximately 3% of the drilled metres, with the remainder drilled by Reed Resources Ltd in 2009 to 2011.
Drill sample recovery	RC recovery was estimated for 76 RC drillholes during the 2011 drilling campaign at the Area 4 deposit by weighing the residue bags with an average recovery of 95% (with a range of 86% up to 100% recovery).
Logging	- Qualitative geological logging of most drillhole intervals was done with sufficient detail to meet the requirements of resource estimation. - Where logging is available all intervals were logged, however some drillholes do not have any geological logging.
Sub-sampling techniques and sample preparation	- A nominal 1 m sample interval was used for the RC drilling and diamond core. - Diamond drillhole sampled using quarter core samples, cut with a diamond saw; RC samples were split using a static cone splitter with approximately 2-3 kg samples collected. - Only pegmatite intersections were submitted for assaying. - Laboratory sample preparation conducted at Genalysis in Kalgoorlie, Western Australia and comprises: - Drying at 105°C. - Pulverising to 85% passing 75 µm. 220 g sub-sample collected from pulp using a rotary divider. - The sample sizes are considered to be appropriate to correctly represent the mineralisation based on the style of mineralisation (spodumene-bearing pegmatite), the thickness and consistency of intersections and the drilling methodology.
Quality of assay data and laboratory tests	- No QAQC of historical 1970s drilling, however, this comprises only 3% of drilled metres. - Pulps from 2009-2011 samples forwarded to Genalysis in Perth, Western Australia for analysis. - Li₂O determined by 4-acid digest with AAS finish. XRF analysis for Al₂O₃, CaO, Cr₂O₃, Fe₂O₃, K₂O, MgO, MnO, Na₂O, Nb, P₂O₅, SiO₂, SO₃, Ta and TiO₂. Loss on ignition (LOI) at 1000°C measured by thermogravimetric analysis (TGA). - In-house pulp standards generated by Gannet Holdings Ltd from Mt Marion material. The standards were not certified, with the standard results assessed by RIM against the raw average of the round robin assays. - QC samples, including field duplicates and standards, are inserted in each sample batch. One standard is inserted every 20 samples. One field duplicate sample is included per drillhole. A total of 230 field duplicates have been collected to date. - Results show that reasonable accuracy and precision was achieved during sampling, sample preparation and assaying. However, Snowden notes that the in-house standards

JORC (2012) Table 1 – Section 1 Sampling Techniques and Data

Item	Comments
	do not have a certified expected value or standard deviation and only provide an indicative assessment of the analytical accuracy.
Verification of sampling and assaying	• Snowden has not conducted any independent verification of the assay data. • Geological logging data was collected by Reed Resources Ltd in Microsoft Excel spreadsheets and merged with the master database. Assay information was provided by the laboratory in comma delimited text files and merged with the master database. The database validation procedures are not documented. • Ten of drillholes have been twinned by RC drillholes. Analysis of the twinned holes shows a reasonable comparison between the drilling techniques. • Values below the analytical detection limit were replaced with half the detection limit value. No other adjustments have been made to the assay data.
Location of data points	• The local grid is based on the GDA94 grid system. • Drillhole collar locations were surveyed by a contract surveyor. The survey methodology and nominal accuracy is not documented. • No downhole survey information was collected. The majority of holes were drilled vertically. Some shallow inclined holes were drilled at the Area 5 deposit. • Given that all the drillholes at the Mt Marion deposit are vertical and that the average end of hole depth is 54 m, with 90% of drillholes less than 90 m, Snowden does not consider the downhole deviation to be a major risk with respect to the Mt Marion resource. • A topographic survey of the project area was provided. The topography surface is validated broadly by the drillhole collar surveys which are considered more accurate. In the Area 4 deposit the topography was translated up 19 m to match the drillholes. Snowden understands that a LIDAR survey is planned for later in the year to provide a more accurate topographic survey.
Data spacing and distribution	• The drilling was completed along a set of east-west trending sections for Areas 1, 2, 2W, 4 and 5. The drill sections are oriented northeast-southwest for Area 6. The drill spacing ranges from 30 m to 40 m apart (in the along strike and downdip directions) for the majority of the deposit. For Area 6 the drill spacing is 160 m along strike by 40 m downdip. • The section spacing is sufficient to establish the degree of geological and grade continuity necessary to support the resource classifications that were applied. • The drilling was composited downhole using a 1 m interval.
Orientation of data in relation to geological structure	• All drilling is vertical. • The location and orientation of the Mt Marion drilling is appropriate given the strike and morphology of the lithium mineralisation and stratigraphy.
Sample security	• No specific measures have been taken to ensure sample security. • Once received at the laboratory, samples were compared by the laboratory to the sample dispatch documents. • Snowden does not believe that sample security poses a material risk to the integrity of the assay data used in the Mineral Resource estimate.
Audits and reviews	• Snowden is not aware of any independent reviews of the drilling, sampling and assaying protocols, or the assay database, for the Mt Marion project.

JORC (2012) Table 1 – Section 2 Reporting of Exploration Results

Item	Comments
Mineral tenement and land tenure	- Granted Mining Leases M15/999 and M15/1000. Leases granted to Reed Industrial Minerals Pty Ltd ("RIM"), which is a joint venture between Neometals Ltd (70%) and Mineral Resources Limited (30%). - Northern portion of project occurs on Hampton Area Location 53, which is owned by Metals X Limited. RIM have agreed to lease the lithium mining rights over a portion of Hampton Area Location 53, adjoining the Mt Marion project. The agreement allows RIM to explore and develop the lithium project within the agreed portion of Hampton Area Location 53. For details refer to Neometals Ltd announcement dated 7 July 2015 entitled "Completion of transaction with Metals X".
Exploration done by other parties	A total of 359 drillholes have been drilled to date totalling approximately 19,546 m in length. Initial drilling at Mt Marion was completed by Western Mining Corporation in the 1970s, however the vast majority of the drilling, approximately 97% of the drilled metres, was completed by Reed Resources Ltd ("Reed") and later RIM between 2009 and 2011.
Geology	- The Mt Marion lithium mineralisation is hosted within a number of sub-parallel, northeast to northwest trending pegmatite intrusive bodies which dip at between 10° to 30° to the west. Individual pegmatites vary in strike length from approximately 300 m to 700 m and average 15 m to 20 m in thickness, but vary locally from less than 2 m to up to 35 m thick. The pegmatites intrude the mafic volcanic host rocks of the surrounding greenstone belt. - The lithium occurs as 10 - 30 cm long grey-white spodumene crystals within medium grained pegmatites comprising primarily of quartz, feldspar, spodumene and muscovite. Typically the spodumene crystals are oriented orthogonal to the pegmatite contacts. Some zoning of the pegmatites parallel to the contacts is observed, with higher concentrations of spodumene occurring close to the upper contact.
Drillhole information	No exploration results being reported.
Data aggregation methods	No exploration results being reported.
Relationship between mineralisation widths and intercept lengths	No exploration results being reported.
Diagrams	Refer to figures in main summary.
Balanced reporting	No exploration results being reported.
Other substantive exploration data	- No exploration results being reported. - Outcrop of spodumene-bearing pegmatite to the north of Areas 2 and 2W support the Exploration Target in these areas.
Further work	- Approximately 30,000 m of drilling is planned to test extensions of the Area 1, 2, 2W and 6 spodumene-bearing pegmatites. This drilling is scheduled to commence in the fourth quarter of 2015. - Snowden understands that a LIDAR topographic survey is also scheduled for the fourth quarter of 2015.

JORC (2012) Table 1 – Section 3 Estimation and Reporting of Mineral Resources

Item	Comments
Database integrity	• RIM store all of the Mt Marion drilling information in a Microsoft Excel spreadsheet. The database is managed by RIM. • Snowden undertook a basic check of the data for potential errors as a preliminary step to compiling the resource estimate. No significant flaws were identified.
Site visits	• John Graindorge (Principal Consultant, Snowden) visited the Mt Marion site on the 20 July 2015, observing the outcropping spodumene-bearing pegmatites, drillhole collars (where preserved) and general site layout.
Geological interpretation	• Snowden believes that the local geology is reasonably well understood as a result of work undertaken by RIM. • Lithium mineralisation occurs as spodumene crystals which are hosted within quartz-feldspar-muscovite pegmatites. • The lithium mineralisation was interpreted as solid wireframes by RIM in 2011 in both section and plan based largely on the geological logging of pegmatite intersections, along with a nominal 0.4% Li₂O threshold. • Snowden reviewed the 2011 geological interpretation and believes that it is reasonable given the available data and as such, the geological interpretation of the mineralised pegmatite remains largely unchanged from the 2011 resource estimate. In some areas the interpretation includes unsampled intersections; however RIM informed Snowden that only pegmatite intersections were assayed and as such if there was no assay then it was highly likely that there was no pegmatite intersected in those areas. As such, Snowden developed wireframes to exclude these areas from the mineralised interpretation. The areas impacted include the upper part of the southern portion of Area 2W, a small zone of internal waste within Area 2, the upper portion of the very southern portion of Area 1, and the upper southeast portion of Area 6. No changes were made to Areas 4 or 5 from the 2011 interpretation. • Outcrops of the pegmatite mineralisation confirm the validity of the geological interpretation based on the drilling. • Alternative interpretations of the mineralisation are unlikely to significantly change the overall volume of the mineralised envelopes in terms of the reported classified resources.
Dimensions	• The Mt Marion lithium mineralisation is hosted within a number of sub-parallel, northeast to northwest trending pegmatite intrusive bodies which dip at between 10° to 30° to the west. Individual pegmatites vary in strike length from approximately 300 m to 700 m and average 15 m to 20 m in thickness, but vary locally from less than 2 m to up to 35 m thick. The pegmatites are currently defined to a depth of up to 200 m below surface.
Estimation and modelling techniques	• Estimation of Li₂O, Fe₂O₃, Al₂O₃, CaO, K₂O, LOI, MgO, MnO, Na₂O, P₂O₅, SiO₂, Ta, and TiO₂ using ordinary block kriging with hard domain boundaries and top-cuts where required to control the impact of outlier grades. Dynamic anisotropy was used to locally adjust the search ellipse and variogram orientation based on the local dip and dip direction of the geological interpretation. Grade estimation was completed using CAE Studio 3 (“Datamine”) software. • Block model constructed using a parent block size of 15 mE by 15 mN by 1 mRL based on half the nominal drillhole spacing along with an assessment of the grade continuity. The search ellipse orientation and radius was based on the results of the grade continuity analysis, with the same search neighbourhood parameters used for all elements to maintain the metal balance and correlations between elements. An initial search of 50 m by 35 m by 4 m thick was used, with a minimum of 8 and maximum of 20 samples. The number of samples per drillhole was limited to 4. • Lithium mineralisation was modelled, along with the surrounding host rock domains. • Grade estimates were validated against the input drillhole composites (globally and using

JORC (2012) Table 1 – Section 3 Estimation and Reporting of Mineral Resources

Item	Comments																	
	grade trend plots) and show a good comparison. H&S Consultants Pty Ltd previously estimated the Mt Marion resource in September 2011. The reporting of the September 2011 resource model was then updated by H&S Consultants Pty Ltd in December 2013 to comply with the 2012 edition of the JORC Code.																	
Moisture	All tonnages have been estimated as dry tonnages.																	
Cut-off parameters	- The mineralisation has been reported above a 0% Li₂O cut-off grade. - Snowden and RIM anticipate that the pegmatite unit would likely be mined non-selectively to the contacts and believe that reporting the resource using a 0% Li₂O cut-off grade is appropriate. Snowden notes that the sensitivity of the Mineral Resource to the reporting cut-off grade is negligible at cut-offs below 0.7% Li₂O.																	
Mining factors and assumptions	It is assumed the deposit will be mined using conventional open cut mining methods, with on-site processing and road train haulage of the spodumene concentrate.																	
Metallurgical factors and Assumptions	- RIM indicated that the ore will be processed on site to produce a spodumene concentrate. - A pre-feasibility study completed by Reed Resource Ltd in October 2012 indicates that lithium hydroxide can be produced from Mt Marion lithium concentrates.																	
Environmental factors and assumptions	It is assumed that no environmental factors exist that could prohibit any potential mining development at the Mt Marion deposit.																	
Bulk density	- Only 11 bulk density measurements have been completed to date. The bulk density measurements were completed at the Genalysis Laboratory on 10 cm pieces of unoxidised PQ3 diamond drill core from the Area 1, 2 and 2W deposits, from drillholes MMD103 to MMD108. The average bulk density of the 11 samples is 2.72 t/m³, varying from 2.62 t/m³ up to 2.86 t/m³. - There are no bulk density measurements available for the surrounding host rocks. Bulk density values for the mafic volcanic host rocks are assumed based on the rock type and oxidation state. - Based on the available bulk density measurements, Snowden assigned default bulk density values to the model blocks as follows: <table> <tr> <th>Unit</th> <th>Oxidation state</th> <th>Bulk density (t/m³)</th> </tr> <tr> <td rowspan="3">Pegmatite</td> <td>Oxide</td> <td>2.60</td> </tr> <tr> <td>Transitional</td> <td>2.65</td> </tr> <tr> <td>Fresh</td> <td>2.70</td> </tr> <tr> <td rowspan="3">Mafic volcanic host rocks</td> <td>Oxide</td> <td>2.30</td> </tr> <tr> <td>Transitional</td> <td>2.70</td> </tr> <tr> <td>Fresh</td> <td>2.90</td> </tr> </table>	Unit	Oxidation state	Bulk density (t/m ³)	Pegmatite	Oxide	2.60	Transitional	2.65	Fresh	2.70	Mafic volcanic host rocks	Oxide	2.30	Transitional	2.70	Fresh	2.90
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Classification	- The resources have been classified based on the continuity of both the geology and the grades, along with the drillhole spacing and data quality. - The Mineral Resource has been classified as a combination of Indicated and Inferred Resources using the following criteria: - Indicated Resource – Area 1, 2, 2W and 4 mineralisation with good geological continuity and defined by drilling on a 40 mE by 40 mN grid or better. - Inferred Resource – mineralisation with poor geological continuity or which is defined by drilling on a grid greater than 40 mE by 40 mN. Area 5 and 6 are classified as Inferred in their entirety. - The Mineral Resource classification appropriately reflects the view of the Competent																	

JORC (2012) Table 1 – Section 3 Estimation and Reporting of Mineral Resources	
Item	Comments
	Person.
Audits and reviews	- The Mineral Resource estimate has been peer reviewed as part of Snowden's standard internal peer review process. - Snowden is not aware of any external reviews of the Mt Marion Mineral Resource estimate.
Discussion of relative accuracy / confidence	- The Mineral Resource has been validated both globally and locally against the input composite data. The Indicated portion of the Mineral Resource estimate is considered to be locally accurate at the scale of the parent block size. Close spaced drilling is required to assess the confidence of the short range grade continuity. - No mining has taken place and as such, no production data is available for comparison with the Mineral Resource estimate.