

ASX Announcement

ASX: Li3

30 October 2017

Yilgarn Lithium Project Update: Drill Program

- **Large Aircore drilling program at 7 exploration licenses**
- **114 drill holes over 4,220m**
- **Inferred spodumene bearing pegmatite zones being drilled**
- **Detailed 1,350 line-km airborne magnetic survey to be acquired over the E 69/3455 (Edmond) license (W.A.)**

LCME will commence a Phase 1 drill program in 7 of the 10 Yilgarn Lithium Project licenses in November 2017 ("Phase 1 Drill Program").

There will also be a detailed airborne magnetic survey over the E 69/3455 (Edmond) license.

Field Reconnaissance Program

LCME has contracted Newexco Services Pty Ltd, an award-winning WA based geological and geophysical group to execute the exploration program.

The Newexco team has won numerous awards including "Discovery of the Year" at the 2008 Annual Excellence in Mining conference and the 2009 AMEC "Prospector of the Year".

Newexco completed an initial field reconnaissance program in September 2017 to:

- prepare for the Phase 1 Drill Program;
- identify access to drill sites; and
- investigate occurrences of outcropping bedrock geology in areas with inferred pegmatites.

Drilling spoil (old drill chips) from historical RAB/ Aircore drilling was sampled (where possible).

7 of the 10 licenses were visited and rock chip and historical drilling spoil samples were collected and have been sent for geochemical assaying.

Phase 1 Drill Program

A total of 114 Aircore drill holes will be drilled for an estimated 4,220m at 7 licenses (i.e. E 63/1813, E 28/2632, E 28/2651, E 63/1814, E 28/2631, E 28/2631, E 15/1542) (see Figure 1). Drilling will be on 14 E-W drill traverses with 200m hole spacing.

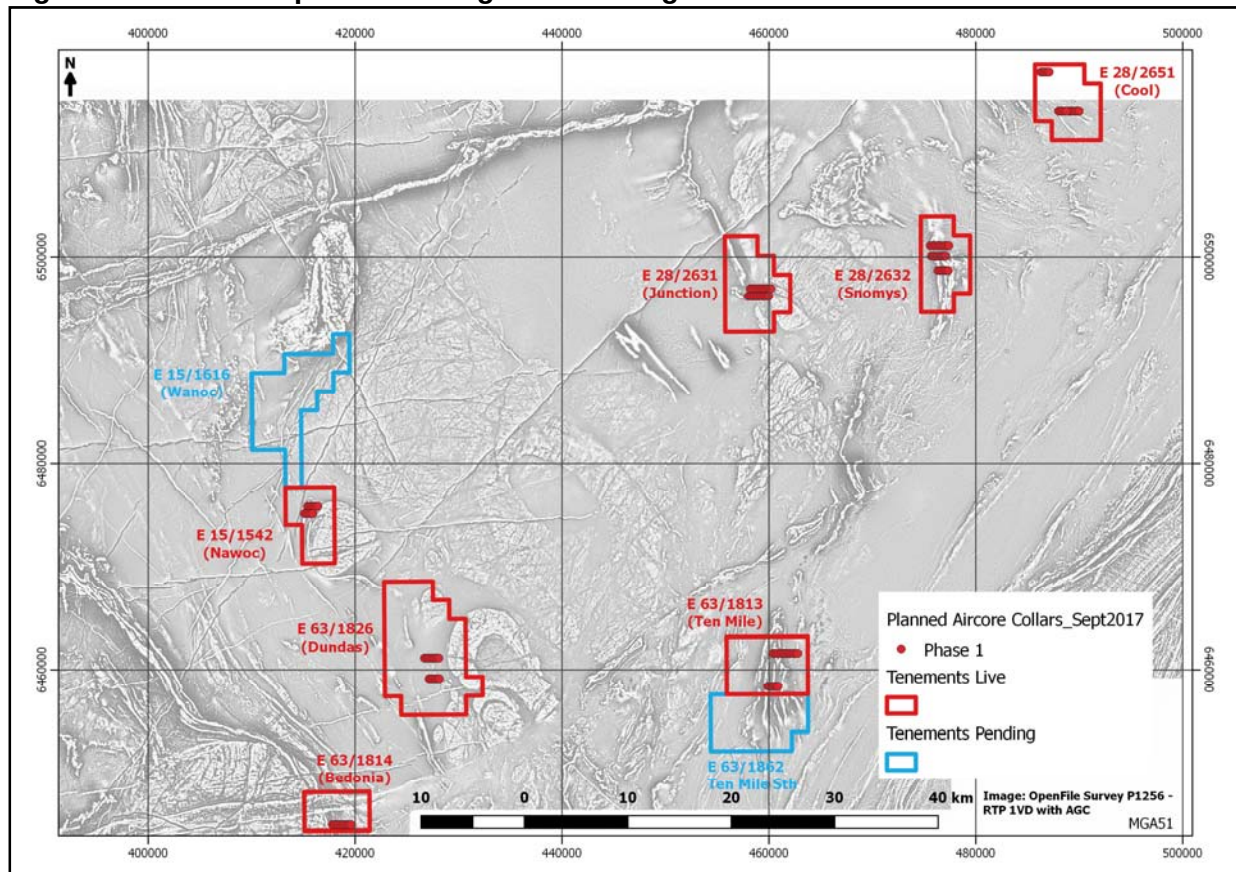
Inferred spodumene bearing pegmatite zones, interpreted from an assessment of open file data, are being targeted through the drill program.

The Phase 1 Drill Program will commence in November 2017.

Airborne Magnetic Survey

A detailed, 50m line spaced, airborne magnetic survey for an estimated 1350 line-km will be acquired over the remote E 69/3455 (Edmond) license.

Figure 1: Phase 1 Exploration Program – drilling locations



Source: West Resources Pty Ltd

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Competent Person Statement

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information reviewed by Newexco Services Pty Ltd's Consulting Geologist Mr Adrian Black, a Competent Person who is a Member of the Australian Institute of Geoscientists (Membership No 1364). Mr. Black has sufficient experience relevant to the style of mineralisation and the type of deposit(s) under consideration and the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Black consents to the inclusion in the Report of the matters based on this information in the form and context in which it appears.