Lithium Australia NL

ACN: 126 129 413
ASX: LIT

Level 1
675 Murray St
West Perth WA 6005

PO Box 1088
West Perth WA 6872

Phone +61 (0) 8 6145 0288
Fax +61 (0) 8 9475 0847

info@lithium-au.com
lithium-au.com

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ANNOUNCEMENT

Lithium Australia success with innovative lithium analyzer at Agua Fria, Mexico

Highlights:

- **Use of Laser Induced Breakdown Spectroscopy (LIBS) technology for operation control of exploration drilling at the Agua Fria Prospect, Electra Project, Mexico**
- **Successful application of the portable LIBS technology for real-time, in-field lithium analyses**
- **Excellent correlation of 4-acid digest with ICP analysis and LIBS measurements**

Lithium Australia NL (ASX: LIT) and Alix Resources Corp (AIX, TSX: V) have successfully applied the LIBS technology to the first reverse circulation (RC) drill hole at the Electra JV prospect Agua Fria (LIT ASX release 26 April 2017).

Since this release, assays from two further drill holes have been received from Agua Fria and these also show good correlation between the laboratory assays and LIBS measurements. The LIBS technology is set to revolutionize both the exploration and mining industries.

Background

Hand held technology, such as field-portable XRF (pXRF), has been used by exploration and mining companies for many years, but these systems have limitations detecting elements with low atomic numbers such as; Li, Be, C, B, and Na, collectively known as 'light elements'.

Laser Induced Breakdown Spectroscopy (LIBS) is used in the new portable device. The analyser has a relatively low powered laser beam which creates a plasma when directed onto the sample. The analyser then measures the ultraviolet (UV), visible and Near-infrared (NIR) light from the plasma to determine the elements present in the sample. The LIBS analyser can not only detect and measure the 'light elements', but also transition and heavy metals.

LIT and US based SciAps Inc (SciAps) have been working in collaboration over the last two years (LIT ASX release 10 November 2016) in developing a practical means of achieving real-time lithium geochemical measurements with laser equipment designed and manufactured by SciAps. The field unit used in the trials is designated Z-300 by SciAps. It is similar in size to the commonly used pXRF units, having the configuration of a hand-held, trigger-activated gun.

Applications

Under the collaboration agreement with SciAps, LIT became the first company to use the technology for real-time, in-field geochemical analyses for lithium in soils and reported the results to the market on 4 November 2016. The results demonstrated the good correlation that existed when real-time lithium spectral data were compared to alkali metal anomalism generated by pXRF equipment, which in that area was a good pathfinder for lithium. Field trials were extended to areas at Pilgangoora, in conjunction with Pilbara Minerals Limited (ASX: PLS) where soil samples comparisons were made between laboratory lithium assays and Z-300 (LIBS) measurements. Good correlations were also achieved in this application whereas the use of pXRF pathfinder elements, as an indication of lithium, was limited.

Because of this breakthrough, LIT developed a calibration model to measure real-time lithium in volcano-sedimentary clays at the Agua Fria Prospect. The LIBS technology and calibration model have been put to the test with the commencement of the RC drilling program, at the Agua Fria project. This is the first, comprehensive, fielding test of the portable LIBS using a SciAps Z300 instrument pre-calibrated for material type and lithium grade to provide "real time" assay verification. Three-metre composite samples splits were analysed for lithium (Figure 1) and compared to 3 m sample splits analysed by ALS laboratories in Hermosillo, Mexico using a 4-acid digest with a ICP finish.

Figure 1: Sample pelletising equipment and SciAps z-300 field-portable LIBS analyser

Three readings from each sample were taken to reduce the possible effects of sample non-homogeneity. The readings are taken from different areas of the pellet with the three readings averaged to give the final lithium measurement. Comparative results from the first three holes drilled at Agua Fria (AF-17-001 to AF-17-003) were excellent with an average accuracy deviation throughout the three holes of ±21% (Figure 2a to 2c).

The immense success has given LIT the confidence needed to use the field-portable LIBS analyser for operation control during the remainder of the drilling. LIT believes this real-time control will have a substantial effect on exploration cost optimisation during the first round of drilling in Mexico.

The comparison between the LIBS and lab assays is presented in Appendix 1 for drill holes AF-17-001, AF-17-002, and AF-17-003 with quality control detailed in the 2012 JORC Code Table 1, both of which are at the end of this report.

Future of LIBS

LIT and SciAps will continue research to apply LIBS technology to process control applications such as pilot plant studies and the production environment.

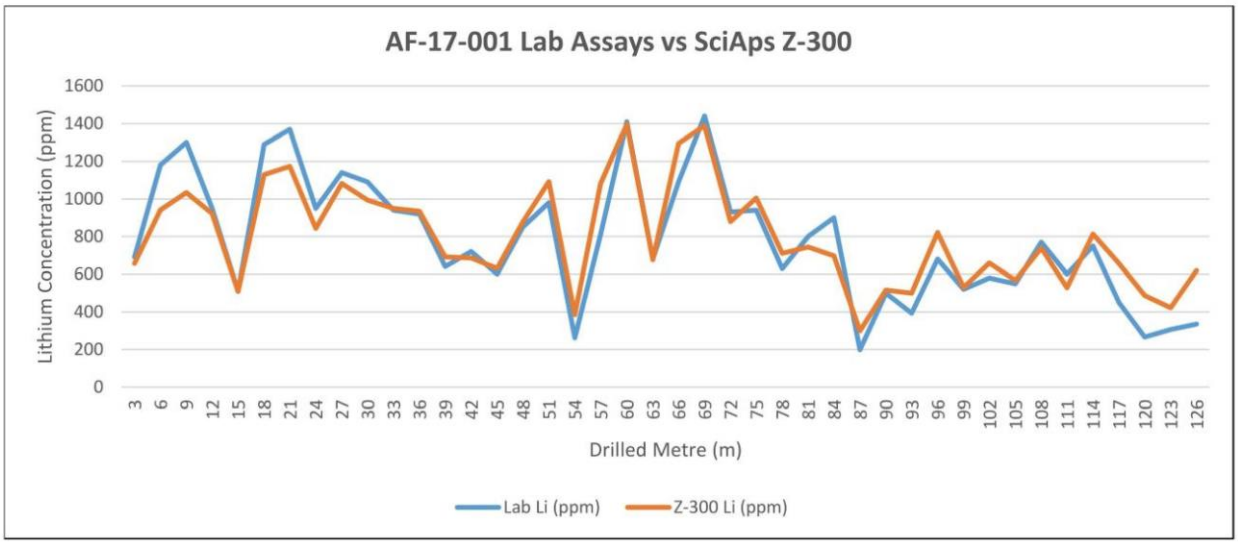

Figure 2a: AF-17-001 Real-time Laboratory and LIBS Lithium Assay comparisons.

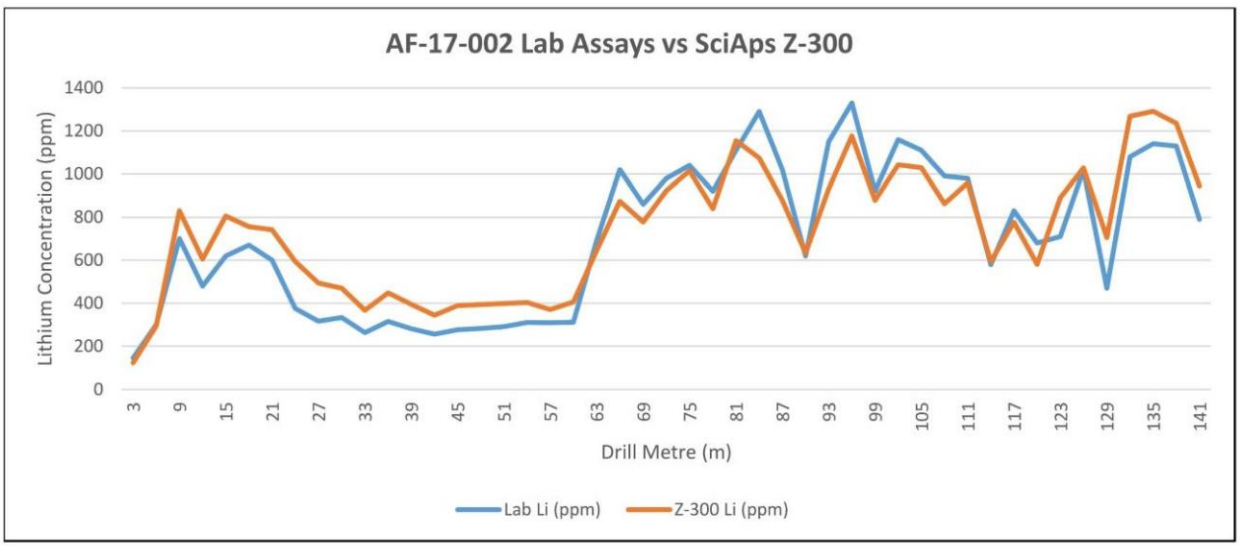

Figure 2b: AF-17-002 Real-time Laboratory and LIBS Lithium Assay comparisons.

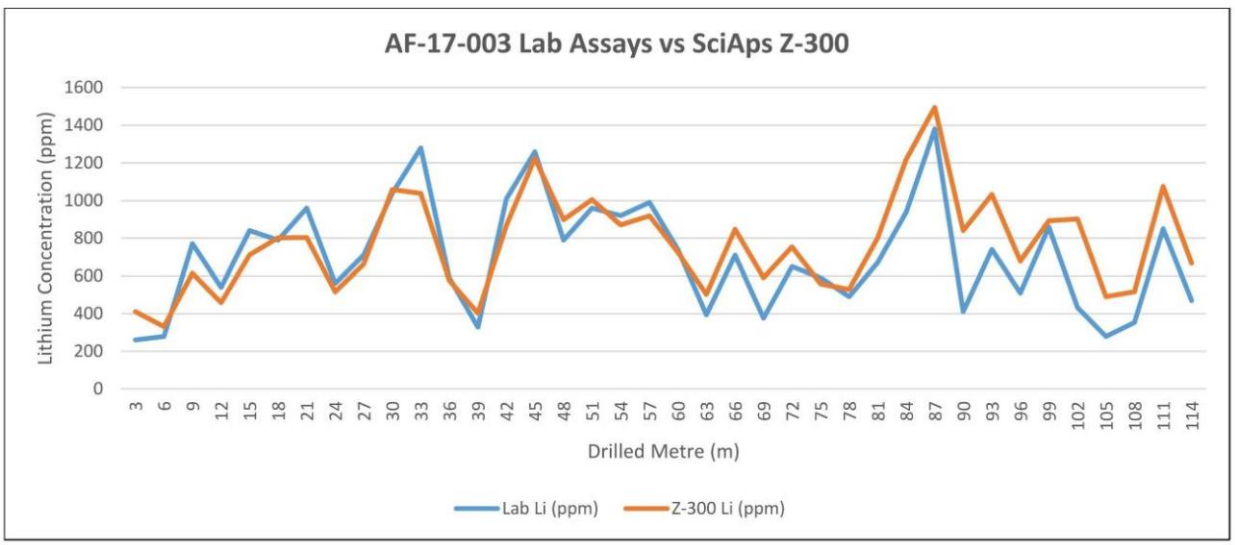

Figure 2c: AF-17-003 Real-time Laboratory and LIBS Lithium Assay comparisons.

Managing director, Adrian Griffin said:

"Lithium Australia is pleased with the demonstrated success of the LIBS technology at Agua Fria, Mexico. The use of this technique to real-time control of drilling is a breakthrough that should deliver immediate financial benefits by maximising the effectiveness of the remainder of the Agua Fira drilling and other projects in Australia. The importance of this technology for lithium exploration cannot be over stated."

Adrian Griffin
Managing Director
Mobile +61 (0) 418 927 658
Adrian.Griffin@lithium-au.com

LIT is a dedicated developer of disruptive lithium extraction technologies, **and 100% owner of the Sileach™ process for the recovery of lithium from silicate**s. LIT has strategic alliances with a number of companies, potentially providing access to a diversified lithium mineral inventory. LIT aspires to create the union between resources and the best available technology and to establish a global lithium processing business. LIT has a strong technical focus in processing and exploration, being a leader in both fields.

MEDIA CONTACT:

Adrian Griffin Lithium Australia NL 08 6145 0288 | 0418 927 658
Kevin Skinner Field Public Relations 08 8234 9555 | 0414 822 631

Competent Persons Statement:
The information contained in the report that relates to Exploration Results is based on information compiled or reviewed by Mr. Adrian Griffin, who is an employee of the Company and is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Griffin has given consent to the inclusion in the report of the matters based on the information in the form and context in which it appears in this report.

APPENDIX 1

Laboratory assay results and comparison with field-based Laser Induced Breakdown Spectroscopy results produced by a SciAps Z-300 hand-held instrument.

Hole No:	AF-17-001	**Easting:**	682027
Drill Date:	03/04/17 - 05/04/17	**Northing:**	3235939
SciAps Date:	04/04/17 - 06/04/17	**RL:**	758
Coord Sys:	WGS 84 / UTM Zone 12N	**Azi/Inc:**	0° / -90°

ID	From (m)	To (m)	Lab Li (ppm)	SciAps Li (ppm)	#1	#2	#3	Comment
AF-17-001	0	3	690	**657**	597	764	609	
AF-17-001	3	6	1180	**941**	1069	845	909	
AF-17-001	6	9	1300	**1034**	1029	1092	981	
AF-17-001	9	12	950	**922**	926	921	918	
AF-17-001	12	15	510	**509**	544	499	484	
AF-17-001	15	18	1290	**1129**	1191	1067	1130	
AF-17-001	18	21	1370	**1174**	1096	1165	1261	
AF-17-001	21	24	950	**843**	814	903	814	
AF-17-001	24	27	1140	**1083**	1141	1066	1041	
AF-17-001	27	30	1090	**994**	993	988	1000	
AF-17-001	30	33	940	**950**	1029	924	898	
AF-17-001	33	36	920	**934**	921	911	970	
AF-17-001	36	39	640	**691**	671	736	668	
AF-17-001	39	42	720	**686**	691	639	729	
AF-17-001	42	45	600	**630**	722	617	551	
AF-17-001	45	48	850	**878**	901	890	841	
AF-17-001	48	51	980	**1092**	1001	1044	1232	
AF-17-001	51	54	262	**386**	399	413	345	
AF-17-001	54	57	810	**1081**	1109	1104	1029	
AF-17-001	57	60	1410	**1396**	1406	1444	1338	
AF-17-001	60	63	680	**677**	667	667	696	
AF-17-001	63	66	1090	**1295**	1360	1220	1306	
AF-17-001	66	69	1440	**1389**	1410	1366	1392	
AF-17-001	69	72	930	**880**	868	855	917	
AF-17-001	72	75	940	**1005**	1016	1032	967	
AF-17-001	75	78	630	**712**	717	728	689	
AF-17-001	78	81	800	**744**	750	712	770	
AF-17-001	81	84	900	**697**	679	738	673	
AF-17-001	84	87	198.5	**299**	311	303	283	
AF-17-001	87	90	500	**516**	526	525	497	
AF-17-001	90	93	393	**499**	509	470	518	
AF-17-001	93	96	680	**822**	856	789	821	
AF-17-001	96	99	520	**531**	533	520	539	
AF-17-001	99	102	580	**660**	681	612	687	
AF-17-001	102	105	550	**568**	575	523	605	
AF-17-001	105	108	770	**739**	799	725	694	
AF-17-001	108	111	600	**529**	543	520	524	
AF-17-001	111	114	750	**813**	720	823	897	
AF-17-001	114	117	450	**657**	679	654	637	
AF-17-001	117	120	266	**487**	492	475	494	
AF-17-001	120	123	306	**422**	411	428	428	
AF-17-001	123	126	336	**620**	614	686	559	End of Hole

Hole No:	AF-17-002	**Easting:**	682199
Drill Date:	06/04/17 - 09/04/17	**Northing:**	3235770
SciAps Date:	06/04/17 - 09/04/17	**RL:**	746
Coord Sys:	WGS 84 / UTM Zone 12N	**Azi/Inc:**	0° / -90°

ID	From (m)	To (m)	Lab Li (ppm)	SciAps Li (ppm)	#1	#2	#3	Comment
AF-17-002	0	3	690	**657**	597	764	609	
AF-17-002	3	6	1180	**941**	1069	845	909	
AF-17-002	6	9	1300	**1034**	1029	1092	981	
AF-17-002	9	12	950	**922**	926	921	918	
AF-17-002	12	15	510	**509**	544	499	484	
AF-17-002	15	18	1290	**1129**	1191	1067	1130	
AF-17-002	18	21	1370	**1174**	1096	1165	1261	
AF-17-002	21	24	950	**843**	814	903	814	
AF-17-002	24	27	1140	**1083**	1141	1066	1041	
AF-17-002	27	30	1090	**994**	993	988	1000	
AF-17-002	30	33	940	**950**	1029	924	898	
AF-17-002	33	36	920	**934**	921	911	970	
AF-17-002	36	39	640	**691**	671	736	668	
AF-17-002	39	42	720	**686**	691	639	729	
AF-17-002	42	45	600	**630**	722	617	551	
AF-17-002	45	48	850	**878**	901	890	841	
AF-17-002	48	51	980	**1092**	1001	1044	1232	
AF-17-002	51	54	262	**386**	399	413	345	
AF-17-002	54	57	810	**1081**	1109	1104	1029	
AF-17-002	57	60	1410	**1396**	1406	1444	1338	
AF-17-002	60	63	680	**677**	667	667	696	
AF-17-002	63	66	1090	**1295**	1360	1220	1306	
AF-17-002	66	69	1440	**1389**	1410	1366	1392	
AF-17-002	69	72	930	**880**	868	855	917	
AF-17-002	72	75	940	**1005**	1016	1032	967	
AF-17-002	75	78	630	**712**	717	728	689	
AF-17-002	78	81	800	**744**	750	712	770	
AF-17-002	81	84	900	**697**	679	738	673	
AF-17-002	84	87	198.5	**299**	311	303	283	
AF-17-002	87	90	500	**516**	526	525	497	
AF-17-002	90	93	393	**499**	509	470	518	
AF-17-002	93	96	680	**822**	856	789	821	
AF-17-002	96	99	520	**531**	533	520	539	
AF-17-002	99	102	580	**660**	681	612	687	
AF-17-002	102	105	550	**568**	575	523	605	
AF-17-002	105	108	770	**739**	799	725	694	
AF-17-002	108	111	600	**529**	543	520	524	
AF-17-002	111	114	750	**813**	720	823	897	
AF-17-002	114	117	450	**657**	679	654	637	
AF-17-002	117	120	266	**487**	492	475	494	
AF-17-002	120	123	306	**422**	411	428	428	
AF-17-002	123	126	336	**620**	614	686	559	
AF-17-002	126	129	690	**657**	597	764	609	
AF-17-002	129	132	1180	**941**	1069	845	909	
AF-17-002	132	135	1300	**1034**	1029	1092	981	
AF-17-002	135	138	950	**922**	926	921	918	
AF-17-002	138	141	510	**509**	544	499	484	End of Hole

Hole No:	AF-17-003	**Easting:**	681854
Drill Date:	11/04/17 - 14/04/17	**Northing:**	3236357
SciAps Date:	11/04/17 - 14/04/17	**RL:**	732
Coord Sys:	WGS 84 / UTM Zone 12N	**Azi/Inc:**	0° / -90°

ID	From (m)	To (m)	Lab Li (ppm)	SciAps Li (ppm)	#1	#2	#3	Comment
AF-17-003	0	3	260	**411**	427	409	396	
AF-17-003	3	6	279	**331**	346	324	323	
AF-17-003	6	9	770	**614**	770	545	526	
AF-17-003	9	12	540	**458**	466	448	461	
AF-17-003	12	15	840	**711**	729	664	739	
AF-17-003	15	18	790	**802**	792	765	850	
AF-17-003	18	21	960	**803**	770	812	828	
AF-17-003	21	24	560	**516**	540	509	498	
AF-17-003	24	27	710	**662**	672	663	652	
AF-17-003	27	30	1040	**1059**	1144	1133	901	
AF-17-003	30	33	1280	**1039**	1039	1102	975	
AF-17-003	33	36	590	**577**	615	588	528	
AF-17-003	36	39	328	**403**	444	368	397	
AF-17-003	39	42	1010	**868**	901	897	806	
AF-17-003	42	45	1260	**1225**	1187	1311	1176	
AF-17-003	45	48	790	**898**	953	823	920	
AF-17-003	48	51	960	**1005**	1022	952	1042	
AF-17-003	51	54	920	**870**	917	761	932	
AF-17-003	54	57	990	**919**	928	951	879	
AF-17-003	57	60	740	**725**	726	694	754	
AF-17-003	60	63	394	**502**	499	473	535	
AF-17-003	63	66	710	**848**	789	872	882	
AF-17-003	66	69	376	**591**	608	585	579	
AF-17-003	69	72	650	**754**	746	818	699	
AF-17-003	72	75	590	**558**	604	537	534	
AF-17-003	75	78	490	**528**	522	483	579	
AF-17-003	78	81	670	**801**	911	687	805	
AF-17-003	81	84	940	**1220**	1259	1239	1163	
AF-17-003	84	87	1380	**1494**	1418	1569	1496	
AF-17-003	87	90	410	**841**	838	858	827	
AF-17-003	90	93	740	**1032**	1054	1043	1000	
AF-17-003	93	96	510	**679**	694	652	690	
AF-17-003	96	99	860	**893**	943	861	875	
AF-17-003	99	102	433	**903**	879	919	910	
AF-17-003	102	105	279	**491**	528	458	487	
AF-17-003	105	108	353	**517**	501	524	526	
AF-17-003	108	111	850	**1076**	1099	1055	1074	
AF-17-003	111	114	470	**668**	740	571	692	End of Hole

JORC Code, 2012 Edition – Table 1 report template

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.*	• Lithium Australia NL (ASX: LIT) and Alix Resources Corp (TMX: AIX) have completed five RC drill holes for 627 m, all at -90° vertical. • The maiden drilling campaign commenced the 4th of April on the Agua Fria prospect / Electra Project. • A SciAps Z-300 field-portable LIBS analyser was used during the program for drilling and sampling control. • Only the three RC drill hole, AF-17-001 to AF-17-003, are the subject of Table 1. No assays are yet available for the other holes mentioned above.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	• Certified standards were inserted into the sample sequences according to AIX/LIT QA/QC procedures. Duplicate samples were collected to check repeatability and blanks were inserted to check for contamination. • The SciAps Z-300 used for sampling control was calibrated for lithium with lab assays from various clay samples from the Agua Fria prospect. • Drill hole collar locations were picked-up using a Garmin eTrex 30 GPS with <15 m accuracy.
	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.	• RC samples were homogenised by riffle splitting prior to sampling. RC samples were collected as 3 m composite intervals to produce a 3-5 kg sample submitted for assaying. • Samples were submitted to ALS Minerals Laboratory in Hermosillo, Mexico and analysed for a suit of 48 elements. Analysis completed by geochemical procedure ME-MS61 (using 4-acid digestion and ICP-MS and ICP-AES analytical methods).
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).*	• RC drilling was completed by Bylsa Drilling Sa De Cv (Hermosillo, Mexico) using a track-mounted RC rig with independent compressor rated at 500 psi. The RC drill bit has a diameter of 80 mm and collects samples through an inner tube to reduce contamination.

Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	• RC recoveries were weighed and recorded on drill logs and considered to be acceptable within industry standards.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	• RC samples were weighed and visually checked for moisture and contamination. A cyclone and riffle splitter were used to provide a uniform and homogenous sample and these were routinely cleaned after each sample. The drill contractor blew out the hole at the beginning of each drill rod to remove excess water and maintain dry 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.	• Ground conditions for RC drilling were good and drilling returned consistent size samples. The majority of the samples collected were dry and contamination would be a minimal.
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	• Geological logging appropriate for this style of drilling and the lithologies encountered.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	• Samples have been geologically logged onto hard copy logging sheets and later transferred onto an Excel spreadsheet. Relevant data fields included: lithology, grainsize, colour and recovery. • All logging samples were collected into chip-trays and stored for future reference.
	The total length and percentage of the relevant intersections logged.	• All drill holes were logged in full. The database contains lithological data for all holes in the database.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	• Not applicable.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	• RC samples were collected by a cyclone attached to the drill rig. • Material was slit by a riffle splitter to produce a 3-5 kg sample.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	• Sampling technique is appropriate and industry standard.
	Quality control procedures adopted for all sub-sampling stages to maximize representivity of samples.	• Field QAQC procedures included the insertion of field duplicates, blanks and commercial standards. • Duplicates, standards and blanks were inserted at intervals of one in every 10 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.	• At least one RC field duplicate were taken every thirty samples.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	• Sample sizes are considered to be appropriate to accurately represent the lithium mineralisation at Agua Fria based on the style

		of mineralisation and the thickness and consistency of the intersections.
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.*	• Samples were submitted to ALS Minerals Laboratory in Hermosillo, Mexico and analysed for a suit of 48 elements. Analysis completed by geochemical procedure ME-MS61 (using 4-acid digestion and ICP-MS and ICP-AES analytical methods).
	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.	• A SciAps Z300 field-portable LIBS analyser were used for drilling and sampling control, although all samples collected were send to ALS minerals for multi-element analyses as explained above. • All assays reported are from ALS Minerals laboratory and comparisons from field-portable LIBS analyser. • The field-portable analyser was calibrated for lithium with lab assays from various clay samples from the Agua Fria prospect.
	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.	• Duplicates, standards and blanks were inserted at intervals of one in every 10 samples. At least one RC field duplicate were taken every thirty samples. • The drilling contains QC samples (field-duplicates, blanks and standards plus laboratory pulp splits, and laboratory internal standards), and have produced results deemed acceptable. • Drilling standards are also sampled by the SciAps Z-300
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	• Verification has been done by both AIX and LIT onsite personnel.
	The use of twinned holes.	• Not applicable.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	• Samples have been geologically logged onto hard copy logging sheets. The hardcopy logging sheets have been scanned to an electronic format as well as digitised onto an Excel spreadsheet by AIX personnel. Hardcopy logging sheets were filed in a filing cabinet in Hermosillo, Mexico, while the electronic copies and digital database stored on digital drives owned by both AIX and LIT. Data verification have been done by both AIX and LIT onsite personnel.
	Discuss any adjustment to assay data.	• Li was converted to Li_2O for the purpose of reporting. The conversion used was Li_2O = Li x 2.153.
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.*	• Drill hole collar locations were picked-up using a Garmin eTrex 30 GPS with <15 m accuracy and considered to be adequate for first pass drilling.
	Specification of the grid system used.	• The grid used was WGS 84 / UTM Zone 12N.
	Quality and adequacy of topographic control.	• The topographic data appear adequate and reliable.
Data spacing	*Data spacing for reporting of Exploration Results.*	• Drill holes targeting of mineralised horizons.

and distribution	*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.*	• Not applicable.
	Whether sample compositing has been applied.	• Samples were composited to 3 m within each of the different lithological zones
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.*	• Not applicable in this style of deposit.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	• No sampling bias in this deposit style.
Sample security	*The measures taken to ensure sample security.*	• Chain of custody of samples were managed by AIX personnel. All sample bags are properly sealed and couriered by AIX personnel to ALS laboratory in Hermosillo, Mexico.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	• Sampling techniques are consistent with industry standards. • Consistency of data was validated by AIX personnel while loading into the database. • The collar and assay data have been reviewed by checking all of the data in the digital database against hardcopies. • All assays were sourced directly from ALS Minerals Laboratory.

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.*	• All of the area of interest is on privately owned ranches from which we have written permission to conduct the ongoing exploration.
	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 concession "Electra" file number 82/39553 has passed all levels of review, there is no impediment to the concession title as confirmed by the legal opinion.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	• Not applicable.
Geology	*Deposit type, geological setting and style of mineralisation.*	• La Ventana-type deposit; sedimentary hectorite clay deposited between beds of Palaeocene basalts.
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:*	• All relevant data for the drilling conducted on the Agua Fria Prospect and used in the laboratory and SciAps Z-300 comparisons is tabulated in Appendix 1 of this announcement.
	○ *easting and northing of the drill hole collar*	
	○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*	
	○ *dip and azimuth of the hole*	
	○ *down hole length and interception depth*	
	○ *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.	
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.*	• All ALS assays are based on homogenised, riffle split 3 m composites. • All LIBS assays are based on homogenised, riffle split 3 m composite samples, a 200-300 gm sample is sieved (<1.6 mm) off the homogenised sample, pressed into a pellet, and read three times by the SciAps Z-300. The three individual values are averaged for a final assay value.
	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.	• No weighted average techniques were used on any results.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.*	• Mineralised zones are flat lying and the drilling was designed to intercept perpendicular to the zones as closely as possible. • All drill holes are drilled at 90º.
	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').	
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.*	• A location map of the Agua Fria Prospect is provided in the body of the test. No drill hole maps or cross-sections have been provided as this release refers to a single drill hole.
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.*	• Comprehensive reporting of drill details has been provided in Appendix 1 of this announcement.
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.*	• All meaningful and material exploration data has been reported.
Further work	*The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*	• If the current drill program is successful, additional infill and extensional drilling may be undertaken. The exact location of this drilling is unknow at this time and cannot be represented on a diagram.
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	