



**REEDY LAGOON CORPORATION LIMITED**

ABN 41 006 639 514

**ASX : RLC**

For immediate release

23 April 2018

## **Exploration Update – Nevada Lithium Brine Drilling**

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### **COLUMBUS SALT MARSH PROJECT**

Analysis of the brine samples collected from the recent drilling at Columbus Salt Marsh has not recovered lithium in sufficient concentration to warrant further work at this project. As a consequence no further drilling is planned at the Columbus Salt Marsh project.

Six significant zones of volcanic ash and tuff were identified in the core samples recovered in drill hole CBD-01. These zones are believed by the Company to be the most favourable zones within which to find dissolved lithium. Aquifers within these six zones were pump tested and brine samples were collected for assay. While the brines tested have high conductivity the maximum lithium concentration detected was 10 mg/L. This level is not considered by the Company to be high enough to indicate potential for economic recovery of lithium.

The intervals tested by pumping and sampling brine were:

- 1472 (448m) to 1495 ft (456m)
- 1642 (500m) to 1742 ft (531m)
- 2017 (615m) to 2043 ft (623m)
- 2097 (639m) to 2131 ft (650m)
- 2752 (839m) to 2770 ft (844m)
- 3177 (968m) to 3280 ft (1,000m)

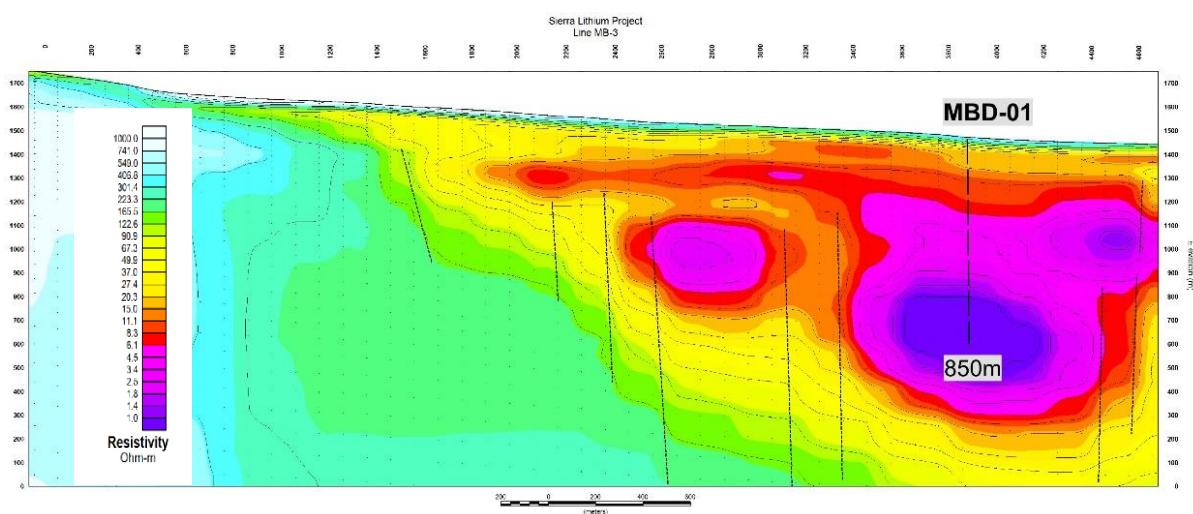
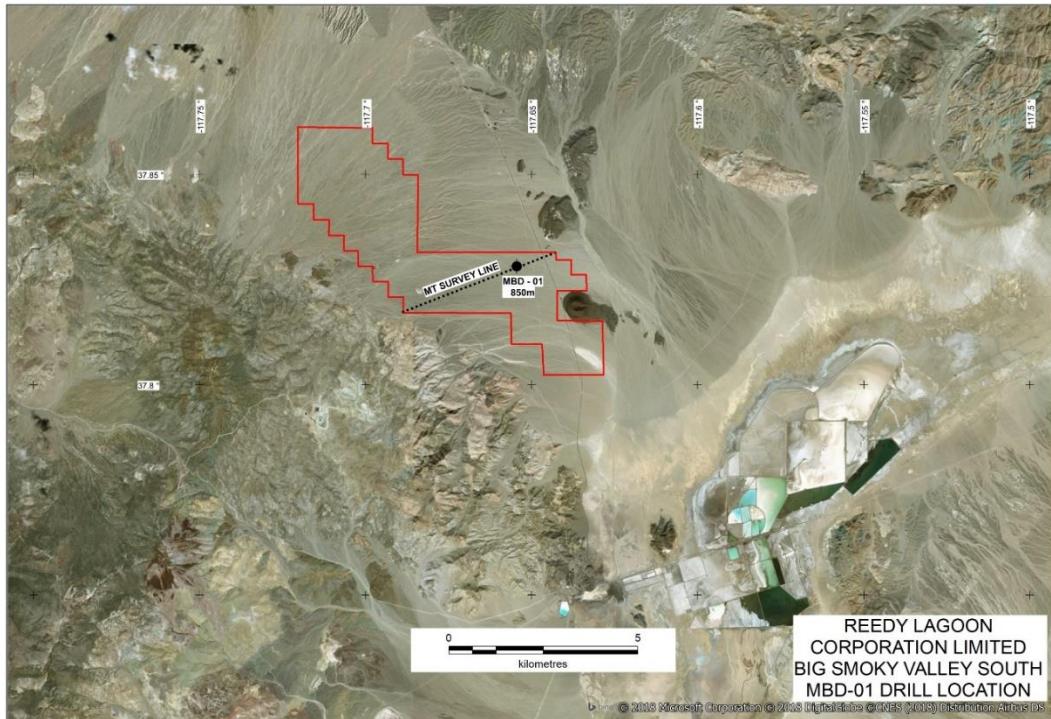
The four upper intervals are within volcanic ash and tuff beds that are believed to be deposited from the Mt Bishop eruption, located 110 miles to the west. The two lower intervals contain Miocene age Esmeralda Formation, which is a lacustrine deposit that contains thin volcanic tuff beds. In the Clayton Valley area all the geologic units represented here are known to host lithium enriched brines. However at Columbus Salt Marsh the lithium brine analyses for the above intervals were uniformly low at around 10 mg/L lithium (the lower level of detection).

Measurements of Total Dissolved Salts (TDS ppm), Conductivity ( $\mu\text{S}/\text{cm}$ ) and Salinity (ppt) have been consistent with brines that are concentrated to a level that is similar to sea water. The maximum salinity level for the above depth intervals was encountered in the interval 615m to 623m and was 45 parts per thousand (ppt). The average ocean salinity is 35 ppt.

Based on the lithium analyses of the brines that were sampled it is concluded that the volcanic ash beds in the area drilled have been effectively leached of lithium and the contained lithium removed by ground water flow. As a result the Company does not plan further drilling in Columbus Salt Marsh.

## BIG SMOKY SOUTH PROJECT

The drill rig, which is now set up at MBD-01 on the Big Smoky South project located in Clayton Valley is expected to commence drilling later today.



RLC has 3 lithium brine projects in Nevada, USA : Columbus Salt Marsh, Big Smoky South and Alkali Lake North.

For further information, please contact:  
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or visit our Website at [www.reedylagoon.com.au](http://www.reedylagoon.com.au)

*Competent Person's Statement:*

*The information in the section headed "Nevada Lithium Brine Projects" of this report as it relates to exploration results and geology was compiled by Mr Geoff Balfe who is a Member of the Australasian Institute of Mining and Metallurgy and a Certified Professional. Mr Balfe is a consultant to Reedy Lagoon Corporation Limited. Mr Balfe has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity 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'. Mr Balfe consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.*

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Reedy Lagoon Corporation Limited  
P O Box 2236, Richmond VIC 3121

Issued shares: 399,720,844  
Issued options: 37,710,515 listed (\$0.08; 6/04/2021)  
900,000 unlisted (\$0.0375; 31/12/2020)

Share price (last traded): \$0.035

Directors and management:

Jonathan Hamer, Chairman, Non-Executive Director  
Geoffrey Fethers, Managing Director, Co. Secretary  
Adrian Griffin, Non-Executive Director

# JORC Code, 2012 Edition – Table 1

## Section 1 Sampling Techniques and Data

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

| Criteria              | JORC Code explanation   | Commentary   |
|-----------------------|---|--|
| Sampling techniques   | <ul style="list-style-type: none"> <li><i>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.</i></li> <li><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></li> <li><i>Aspects of the determination of mineralisation that are Material to the Public Report.</i></li> <li><i>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.</i></li> </ul> | <ul style="list-style-type: none"> <li>The Company carried out sampling of brine fluids pumped from the HQ drill hole using a down-hole electric submersible pump through an IPL SWIPS double packer.</li> <li>Prior to setting the packer the drill hole was flushed with clean polymer mud which tested 3231 ppm TDS and 4520 µS/cm.</li> <li>After setting the packer the zone below the packer was pumped for approximately 10 hours until brine fluid was detected at the surface outlet.</li> <li>Samples of the brine were collected in 250ml polycarbonate bottles at 15 minute intervals over a 2.5 hour period. Each sample was labelled for depth, date and time.</li> <li>Measurements of TDS (ppm), conductivity (µS/cm), salinity (ppt) temperature (°C) and pH were also made using a YSI salinity meter calibrated with standard solutions.</li> </ul> |
| Drilling techniques   | <ul style="list-style-type: none"> <li><i>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).</i></li> </ul>  | <ul style="list-style-type: none"> <li>Core drilling was undertaken using standard HQ size core and drill bits.</li> <li>No oriented core was collected</li> </ul>   |
| Drill sample recovery | <ul style="list-style-type: none"> <li><i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></li> <li><i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></li> <li><i>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.</i></li> </ul>   | <ul style="list-style-type: none"> <li>The packer is hanging below the HQ drill bit so return fluid is pumped to surface inside the drill rods thereby eliminating sources of contamination.</li> <li>Details of core recovery were collected but at this time no core sampling has been carried out.</li> <li>Zones of core loss and poor recovery can indicate cavities and permeable zones where aquifers may be present.</li> </ul>  |

| Criteria                                       | JORC Code explanation  | Commentary   |
|--|--|--|
| Logging  | <ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>   | <ul style="list-style-type: none"> <li>All core has been geologically logged on 5 ft (1.5m) intervals and stored under cover in sealed wax impregnated cardboard core boxes.</li> <li>Core is in the process of being photographed and subjected to hyperspectral scanning prior to further decisions on core sampling and physical testing.</li> </ul>  |
| Sub-sampling techniques and sample preparation | <ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul> | <ul style="list-style-type: none"> <li>Core has not yet been sampled pending completion of the hyperspectral scanning and photography.</li> <li>Water samples are considered representative of the aquifer tested due to the extended time spent pumping from the aquifer before sampling commenced, the restricted zone that was tested and the practice of collecting multiple samples over an extended period of time to see if any variability existed between samples.</li> <li>The practice of taking multiple samples over a period of time can be considered as duplicate sampling and a check on sample variability.</li> <li>At each sample point two samples are collected in 250ml polycarbonate bottles – one bottle contains 0.05ml of HNO<sub>3</sub> in order to condition and stabilize any lithium in solution. The other sample is kept for other physical test work/measurements.</li> </ul> |
| Quality of assay data and laboratory tests     | <ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> <li>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</li> </ul>   | <ul style="list-style-type: none"> <li>Samples were submitted to an ISO certified laboratory for total lithium analysis by the ICP AES technique.</li> <li>Samples were filtered to 0.045µm before being processed and read.</li> <li>The analytical method and procedure were as recommended by the laboratory for lithium brines.</li> <li>The Company is not in possession of suitable lithium standards for brine analysis and these are generally not available due to the unstable nature of lithium in solution. The laboratory uses a series of control samples to calibrate the ICP AES machine.</li> </ul>   |
| Verification of sampling and                   | <ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> </ul>  | <ul style="list-style-type: none"> <li>Sampling and pump testing was supervised by the Company's consultant geologist and hydrogeologist.</li> </ul>   |

| Criteria  | JORC Code explanation  | Commentary   |
|---|--|--|
| assaying  | <ul style="list-style-type: none"> <li><i>The use of twinned holes.</i></li> <li><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></li> <li><i>Discuss any adjustment to assay data.</i></li> </ul>  | <ul style="list-style-type: none"> <li>Twinned holes are not available at this time.</li> <li>Primary data is recorded on site and entered into the appropriate database.</li> </ul>   |
| Location of data points                                 | <ul style="list-style-type: none"> <li><i>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.</i></li> <li><i>Specification of the grid system used.</i></li> <li><i>Quality and adequacy of topographic control.</i></li> </ul>   | <ul style="list-style-type: none"> <li>The drill hole was located using a Garmin GPS 64S unit and is considered accurate to +/- 3m.</li> <li>The grid system used is UTM NAD 27 Zone 11.</li> <li>The project area is essentially flat with no topographic variation.</li> </ul>   |
| Data spacing and distribution                           | <ul style="list-style-type: none"> <li><i>Data spacing for reporting of Exploration Results.</i></li> <li><i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></li> <li><i>Whether sample compositing has been applied.</i></li> </ul>                          | <ul style="list-style-type: none"> <li>The sampling method can be considered to give a bulk or averaged estimate of metal content in the ground water over the interval tested.</li> <li>Additional sampling and pumping of water over a longer time period would be required for Ore Resource and Ore Reserve estimation.</li> <li>The results as reported have not been averaged or composited.</li> </ul> |
| Orientation of data in relation to geological structure | <ul style="list-style-type: none"> <li><i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></li> <li><i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></li> </ul> | <ul style="list-style-type: none"> <li>Based on geophysical data together with known geology of the basin in question the sedimentary strata are horizontal and the drill hole is vertical and this is considered to be the optimal orientation for sampling the aquifers.</li> </ul>  |
| Sample security   | <ul style="list-style-type: none"> <li><i>The measures taken to ensure sample security.</i></li> </ul>   | <ul style="list-style-type: none"> <li>At all times samples were in the custody and control of either the project geologist or the freight company until delivery to the laboratory.</li> </ul>  |
| Audits or reviews                                       | <ul style="list-style-type: none"> <li><i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>   | <ul style="list-style-type: none"> <li>None undertaken at this stage</li> </ul>  |

## Section 2 Reporting of Exploration Results

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

| Criteria                                       | JORC Code explanation  | Commentary   |
|--|--|--|
| <i>Mineral tenement and land tenure status</i> | <ul style="list-style-type: none"> <li><i>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.</i></li> <li><i>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.</i></li> </ul>   | <ul style="list-style-type: none"> <li>Placer Claims have been staked and duly recorded with Esmeralda County and filed with the Bureau of Land Management (BLM).</li> <li>BLM receipts for the filing of the WH Claims, the CB Claims and the MB Claims are in the possession of the Company. The claims have been staked by Sierra Lithium LLC, a wholly owned US subsidiary of Nevada Lithium Pty Ltd.</li> </ul>   |
| <i>Exploration done by other parties</i>       | <ul style="list-style-type: none"> <li><i>Acknowledgment and appraisal of exploration by other parties.</i></li> </ul>   | <ul style="list-style-type: none"> <li>There is no record of lithium exploration on any of the subject placer claims.</li> <li>There is evidence of prospect pits having been dug for borax exploration.</li> </ul>  |
| <i>Geology</i>                                 | <ul style="list-style-type: none"> <li><i>Deposit type, geological setting and style of mineralisation.</i></li> </ul>   | <ul style="list-style-type: none"> <li>There is a generally accepted geological model for lithium brines in closed basins in Esmeralda County, Nevada. Where drill hole data exists the basins are characterized by multiple alternating aquifers consisting of sandy or gravelly beds with intercalated fine grained sediments including clay beds (derived from decomposition of tuffa deposits), fine grained volcanic ash layers, and alluvial silty deposits. In Clayton Valley at least eight lithium brine enriched aquifers have been recognized.</li> </ul> |
| <i>Drill hole Information</i>                  | <ul style="list-style-type: none"> <li><i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> <li><i>easting and northing of the drill hole collar</i></li> <li><i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li><i>dip and azimuth of the hole</i></li> <li><i>down hole length and interception depth</i></li> <li><i>hole length.</i></li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>Information about coordinates, depth, collar elevation, orientation and sample intervals has been systematically recorded and will be reported with results as they come to hand.</li> </ul>  |

| Criteria   | JORC Code explanation  | Commentary  |
|--|--|---|
|  | <ul style="list-style-type: none"> <li><i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i></li> </ul>   |   |
| Data aggregation methods   | <ul style="list-style-type: none"> <li><i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i></li> <li><i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i></li> <li><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></li> </ul> | <ul style="list-style-type: none"> <li>As the medium being sampled is ground water that is pumped from selected intervals using a down hole inflatable packer to isolate the target zones it is not appropriate to carry out any form of grade weighting or cutting of high values. Averaging of a series of results collected over time from the same point (depth) is considered meaningful and representative of the metal content of the groundwater in the selected interval.</li> </ul> |
| Relationship between mineralisation widths and intercept lengths | <ul style="list-style-type: none"> <li><i>These relationships are particularly important in the reporting of Exploration Results.</i></li> <li><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></li> <li><i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i></li> </ul>   | <ul style="list-style-type: none"> <li>As the drill holes are vertical and the sedimentary strata are horizontal the groundwater aquifers are considered to be constrained by certain strata and are also considered to be horizontal. This is supported by geophysical surveys.</li> </ul>   |
| Diagrams   | <ul style="list-style-type: none"> <li><i>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.</i></li> </ul>  | <ul style="list-style-type: none"> <li>The Company has previously released various maps and sections showing the exploration target and geophysical results and these maps are also accessible on the Company's website. These will be regularly updated when new information is at hand.</li> </ul>  |
| Balanced reporting   | <ul style="list-style-type: none"> <li><i>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.</i></li> </ul>   | <ul style="list-style-type: none"> <li>All analytical results have been reported.</li> </ul>  |
| Other substantive exploration data                               | <ul style="list-style-type: none"> <li><i>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</i></li> </ul>  | <ul style="list-style-type: none"> <li>The Company is not in possession of other relevant exploration results for the subject placer claims.</li> </ul>   |

| Criteria     | JORC Code explanation   | Commentary  |
|--------------|---|---|
|              | <i>deleterious or contaminating substances.</i>   |   |
| Further work | <ul style="list-style-type: none"> <li><i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li> <li><i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></li> </ul> | <ul style="list-style-type: none"> <li>Initial drill hole locations will depend on geophysical survey (gravity and resistivity) results and the results of shallow geochemical drilling. Additional geophysical surveys will be carried out as justified by results.</li> </ul> |

### 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        | <ul style="list-style-type: none"> <li><i>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.</i></li> <li><i>Data validation procedures used.</i></li> </ul>  | <ul style="list-style-type: none"> <li>The Company regularly checks its databases against original certified assay reports to check for transcription errors.</li> </ul>                 |
| Site visits               | <ul style="list-style-type: none"> <li><i>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</i></li> <li><i>If no site visits have been undertaken indicate why this is the case.</i></li> </ul>  | <ul style="list-style-type: none"> <li>The Competent Person has visited the sites and verified the location of the tenements and the exploration work being reported on here.</li> </ul> |
| Geological interpretation | <ul style="list-style-type: none"> <li><i>Confidence in (or conversely, the uncertainty of ) the geological interpretation of the mineral deposit.</i></li> <li><i>Nature of the data used and of any assumptions made.</i></li> <li><i>The effect, if any, of alternative interpretations on Mineral Resource estimation.</i></li> <li><i>The use of geology in guiding and controlling Mineral Resource estimation.</i></li> <li><i>The factors affecting continuity both of grade and geology.</i></li> </ul> | <ul style="list-style-type: none"> <li>N/A</li> </ul>  |
| Dimensions                | <ul style="list-style-type: none"> <li><i>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.</i></li> </ul>  | <ul style="list-style-type: none"> <li>N/A</li> </ul>  |
| Estimation and modelling  | <ul style="list-style-type: none"> <li><i>The nature and appropriateness of the estimation technique(s)</i></li> </ul>   | <ul style="list-style-type: none"> <li>N/A</li> </ul>  |

| Criteria                      | JORC Code explanation  | Commentary  |
|-------------------------------|--|---|
| techniques                    | <p><i>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.</i></p>  | <ul style="list-style-type: none"> <li>• <i>The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.</i></li> <li>• <i>The assumptions made regarding recovery of by-products.</i></li> <li>• <i>Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).</i></li> <li>• <i>In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.</i></li> <li>• <i>Any assumptions behind modelling of selective mining units.</i></li> <li>• <i>Any assumptions about correlation between variables.</i></li> <li>• <i>Description of how the geological interpretation was used to control the resource estimates.</i></li> <li>• <i>Discussion of basis for using or not using grade cutting or capping.</i></li> <li>• <i>The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.</i></li> </ul> |
| Moisture                      | <ul style="list-style-type: none"> <li>• <i>Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.</i></li> </ul>  | <ul style="list-style-type: none"> <li>• N/A</li> </ul>   |
| Cut-off parameters            | <ul style="list-style-type: none"> <li>• <i>The basis of the adopted cut-off grade(s) or quality parameters applied.</i></li> </ul>  | <ul style="list-style-type: none"> <li>• N/A</li> </ul>   |
| Mining factors or assumptions | <ul style="list-style-type: none"> <li>• <i>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</i></li> </ul> | <ul style="list-style-type: none"> <li>• N/A</li> </ul>   |

| Criteria                             | JORC Code explanation   | Commentary   |
|--------------------------------------|---|--|
|                                      | <p><i>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.</i></p>  |  |
| Metallurgical factors or assumptions | <ul style="list-style-type: none"> <li><i>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.</i></li> </ul>   | <ul style="list-style-type: none"> <li>• N/A</li> </ul>  |
| Environmental factors or assumptions | <ul style="list-style-type: none"> <li><i>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.</i></li> </ul> | <ul style="list-style-type: none"> <li>• The Company intends to investigate alternate methods of pre-concentration of lithium brines to using evaporation ponds. These include reverse osmosis and direct solvent extraction. These methods will facilitate future environmental permitting and minimize waste by-products.</li> </ul> |
| Bulk density                         | <ul style="list-style-type: none"> <li><i>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.</i></li> <li><i>The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.</i></li> <li><i>Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.</i></li> </ul>   | <ul style="list-style-type: none"> <li>• N/A</li> </ul>  |
| Classification                       | <ul style="list-style-type: none"> <li><i>The basis for the classification of the Mineral Resources into varying confidence categories.</i></li> <li><i>Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input</i></li> </ul>  | <ul style="list-style-type: none"> <li>• N/A</li> </ul>  |

| Criteria                                   | JORC Code explanation  | Commentary  |
|--|--|---|
|  | <p><i>data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).</i></p> <ul style="list-style-type: none"> <li>• <i>Whether the result appropriately reflects the Competent Person's view of the deposit.</i></li> </ul>  |   |
| Audits or reviews                          | <ul style="list-style-type: none"> <li>• <i>The results of any audits or reviews of Mineral Resource estimates.</i></li> </ul>   | <ul style="list-style-type: none"> <li>• N/A</li> </ul> |
| Discussion of relative accuracy/confidence | <ul style="list-style-type: none"> <li>• <i>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.</i></li> <li>• <i>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.</i></li> <li>• <i>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i></li> </ul> | <ul style="list-style-type: none"> <li>• N/A</li> </ul> |

## Section 4 Estimation and Reporting of Ore Reserves

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

| Criteria   | JORC Code explanation  | Commentary  |
|--|--|---|
| Mineral Resource estimate for conversion to Ore Reserves | <ul style="list-style-type: none"> <li>• <i>Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.</i></li> <li>• <i>Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.</i></li> </ul> | <ul style="list-style-type: none"> <li>• N/A</li> </ul> |
| Site visits  | <ul style="list-style-type: none"> <li>• <i>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</i></li> <li>• <i>If no site visits have been undertaken indicate why this is the case.</i></li> </ul>  | <ul style="list-style-type: none"> <li>• N/A</li> </ul> |

| Criteria                             | JORC Code explanation   | Commentary  |
|--------------------------------------|---|---|
| Study status                         | <ul style="list-style-type: none"> <li><i>The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.</i></li> <li><i>The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.</i></li> </ul>  | <ul style="list-style-type: none"> <li>N/A</li> </ul> |
| Cut-off parameters                   | <ul style="list-style-type: none"> <li><i>The basis of the cut-off grade(s) or quality parameters applied.</i></li> </ul>   | <ul style="list-style-type: none"> <li>N/A</li> </ul> |
| Mining factors or assumptions        | <ul style="list-style-type: none"> <li><i>The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).</i></li> <li><i>The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.</i></li> <li><i>The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling.</i></li> <li><i>The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).</i></li> <li><i>The mining dilution factors used.</i></li> <li><i>The mining recovery factors used.</i></li> <li><i>Any minimum mining widths used.</i></li> <li><i>The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.</i></li> <li><i>The infrastructure requirements of the selected mining methods.</i></li> </ul> | <ul style="list-style-type: none"> <li>N/A</li> </ul> |
| Metallurgical factors or assumptions | <ul style="list-style-type: none"> <li><i>The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.</i></li> <li><i>Whether the metallurgical process is well-tested technology or novel in nature.</i></li> <li><i>The nature, amount and representativeness of metallurgical test work</i></li> </ul>  | <ul style="list-style-type: none"> <li>N/A</li> </ul> |

| Criteria        | JORC Code explanation   | Commentary  |
|-----------------|---|---|
|                 | <p><i>undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.</i></p> <ul style="list-style-type: none"> <li>• Any assumptions or allowances made for deleterious elements.</li> <li>• The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.</li> <li>• For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?</li> </ul>                  |   |
| Environmental   | <ul style="list-style-type: none"> <li>• The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.</li> </ul>  | <ul style="list-style-type: none"> <li>• N/A</li> </ul> |
| Infrastructure  | <ul style="list-style-type: none"> <li>• The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.</li> </ul>   | <ul style="list-style-type: none"> <li>• N/A</li> </ul> |
| Costs           | <ul style="list-style-type: none"> <li>• The derivation of, or assumptions made, regarding projected capital costs in the study.</li> <li>• The methodology used to estimate operating costs.</li> <li>• Allowances made for the content of deleterious elements.</li> <li>• The source of exchange rates used in the study.</li> <li>• Derivation of transportation charges.</li> <li>• The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.</li> <li>• The allowances made for royalties payable, both Government and private.</li> </ul> | <ul style="list-style-type: none"> <li>• N/A</li> </ul> |
| Revenue factors | <ul style="list-style-type: none"> <li>• The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns,</li> </ul>  | <ul style="list-style-type: none"> <li>• N/A</li> </ul> |

| Criteria          | JORC Code explanation  | Commentary   |
|-------------------|--|--|
|                   | etc.   |  |
| Market assessment | <ul style="list-style-type: none"> <li>The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.</li> </ul>   | <ul style="list-style-type: none"> <li>The Company is aware of current lithium demand-supply relationship and likely customer specifications for battery grade lithium carbonate. The low levels of contaminants in Clayton Valley brines is an important factor in the Company's decision to operate in this region as well as access to North American markets.</li> </ul> |
| Economic          | <ul style="list-style-type: none"> <li>The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.</li> <li>NPV ranges and sensitivity to variations in the significant assumptions and inputs.</li> </ul>  | <ul style="list-style-type: none"> <li>N/A</li> </ul>  |
| Social            | <ul style="list-style-type: none"> <li>The status of agreements with key stakeholders and matters leading to social licence to operate.</li> </ul>   | <ul style="list-style-type: none"> <li>Agreements with possible stakeholders are not a condition to the approval of tenements on Federal land in the USA. Future permits for operations will need to address standard EIS issues that relate to similar operations in the US. There are no indigenous lands in the area of the subject placer claims.</li> </ul>             |
| Other             | <ul style="list-style-type: none"> <li>To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:</li> <li>Any identified material naturally occurring risks.</li> <li>The status of material legal agreements and marketing arrangements.</li> <li>The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which</li> </ul> | <ul style="list-style-type: none"> <li>N/A</li> </ul>  |

| Criteria  | JORC Code explanation  | Commentary  |
|---|--|---|
| <i>extraction of the reserve is contingent.</i> |  |   |
| Classification                                  | <ul style="list-style-type: none"> <li><i>The basis for the classification of the Ore Reserves into varying confidence categories.</i></li> <li><i>Whether the result appropriately reflects the Competent Person's view of the deposit.</i></li> <li><i>The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).</i></li> </ul>   | <ul style="list-style-type: none"> <li>N/A</li> </ul> |
| Audits or reviews                               | <ul style="list-style-type: none"> <li><i>The results of any audits or reviews of Ore Reserve estimates.</i></li> </ul>  | <ul style="list-style-type: none"> <li>N/A</li> </ul> |
| Discussion of relative accuracy/confidence      | <ul style="list-style-type: none"> <li><i>Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve 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 reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.</i></li> <li><i>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.</i></li> <li><i>Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.</i></li> <li><i>It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i></li> </ul> | <ul style="list-style-type: none"> <li>N/A</li> </ul> |