ASX Announcement

22 May 2023

Osmond to Acquire U.S. Lithium-Borate Project

HIGHLIGHTS

- **Osmond has entered into a Deed of Assignment and Assumption Agreement to assume exclusive earn-in rights to acquire the Salt Wells lithium-borate Project located in Nevada, U.S.**
- **Lithium and boron are two critical materials needed for new clean energy economies**
- **Acquisition is designed to complement Osmond's existing projects**
- **Agreement framework allows for all expenditure to go directly towards exploration and testing, with no outgoing cash or shares as part of the acquisition and an ability to withdraw assuming obligations at any time**
- **Salt Wells Project has an attractive profile being located close to the town of Reno, infrastructure, potential customers and the country's only producing lithium mine**
- **Osmond aims to quickly define an exploration program, with a targeted maiden drilling program to commence in 2H CY2023.**
- **Osmond to raise approximately $2.3 million by way of a non-renounceable rights issue to fund exploration of the Salt Wells Project**

Osmond Resources Limited (**ASX: OSM**) (**Osmond** or the **Company**) is pleased to announce that it has entered into a Deed of Assignment and Assumption (**Agreement**) with 5E Advanced Materials, Inc. (Nasdaq: FEAM) (ASX: 5EA) (**5E**) to assume 5E's exclusive earn-in rights to earn-in and acquire the Salt Wells lithium-borate Project (the **Salt Wells Project** or the **Project**) located Nevada U.S. (see Figures 1 and 2) (**Acquisition**).

Commenting on the acquisition, Osmond Resources Executive Director, Andrew Shearer, said:

"In the context of the opportunity to be a part of the transition to new clean energy economies, the acquisition of the Salt Wells lithium-borate Project offers a tremendous prospect for all Osmond shareholders. Not only is the Project located in Nevada, which is considered one of the most attractive mining jurisdictions in the world, but the deal terms allow us to direct all our expenditure into exploration.

We now plan to move quickly into assessing existing exploration results, which will shape an exploration plan, with the target to commence on ground activities and a maiden drilling program in the second half of CY2023."

Background: Salt Wells Project

The Salt Wells Project is located in Churchill County, Nevada, U.S., within close proximity to major highways and within 25 kilometres of the town of Fallon that has a population of over 8,500 people. The Project consists of 276 mineral claims, covering an area of ~36km^2 with surface salt samples in the northern area recording up to 810ppm lithium, and 1% boron (5.2% boric acid equivalent) (see ASX:ABR Release 25 May 2018, *"American Pacific Borate and Lithium agrees earn in rights to acquire 100%*

interest in two Borate and Lithium exploration Projects in Nevada, USA")[1]. Historically borates were produced at Salt Wells from surface salts in the 1800's from the northern part of the Project area.

The Project lies in what is believed to be an internally drained, fault bounded basin, covering an area of around 110 square kilometres, that appears similar to Clayton Valley, Nevada, where lithium is currently produced by Albemarle Corporation. With the exception of recent surface salt sampling from the northern area, and reconnaissance Magnetotellurics (MT) surveys
limited modern exploration has been completed. The Project is prospective for lithium and borates in the sediments (salt horizon) and lithium and boron brines within the structures of the basin.
Currently, the Project is subject to an earn-in agreement between 5E and private company, Great Basin Resources, Inc. (**GBR**), in which 5E currently has an exclusive right to earn and acquire 100% of the Salt Wells Project (**Earn-In Agreement**). Under the Agreement, Osmond will assume 5E's obligations and acquire an 80% interest in the Salt Wells Project, with a limited right to acquire up to 100% from 5E. 5E is currently focussed on the upcoming first production of boric acid and lithium from their 5E Boron Americas Complex, located in southern California.

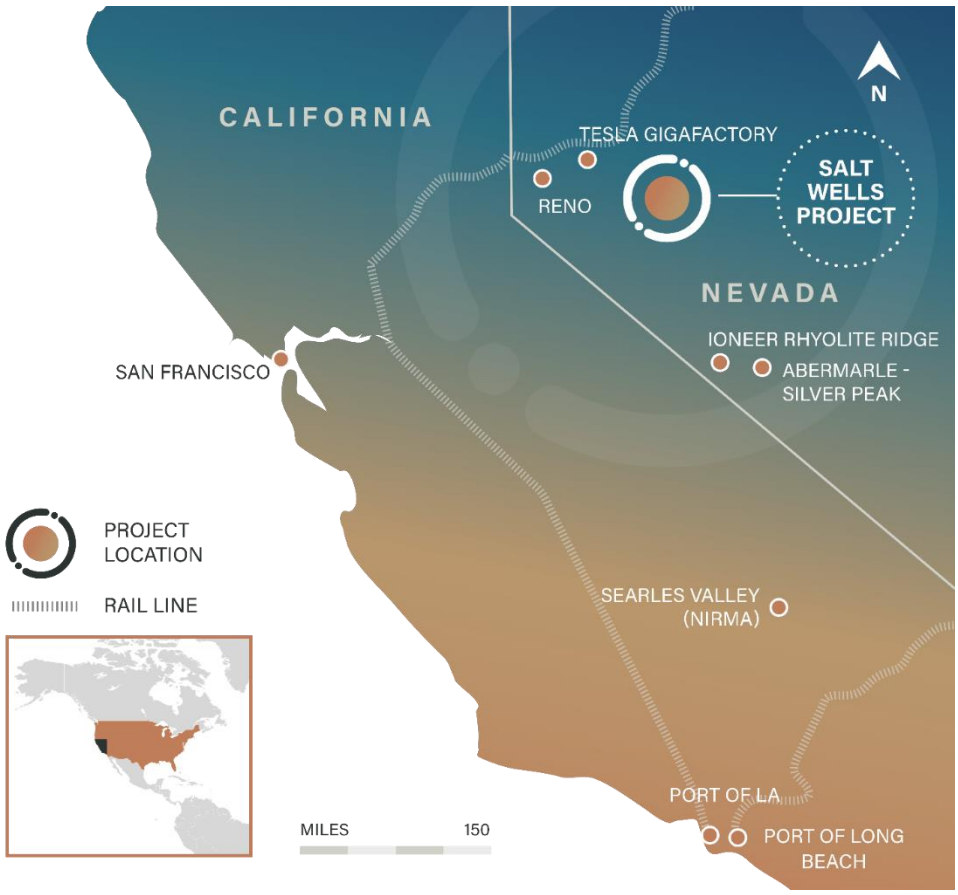

Figure 1: Location of the Salt Wells Project

[1] ASX:ABR Release 25 May 2018, "American Pacific Borate and Lithium agrees earn in rights to acquire 100% interest in two Borate and Lithium exploration Projects in Nevada, USA" (https://announcements.asx.com.au/asxpdf/20180525/pdf/43v9j20ty86dkw.pdf)

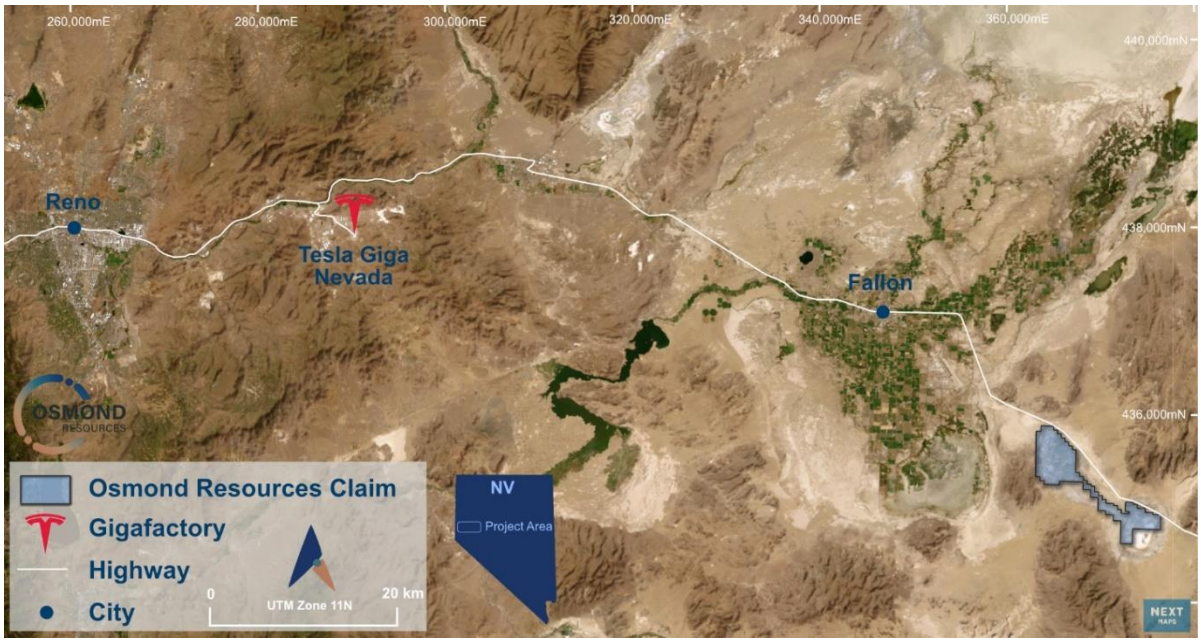

Figure 2: Location of the Salt Wells Project area relative to regional towns and industry

Figure 3: Salt Wells landscape

Opportunity

As the world embraces clean energy transition and decarbonisation strategies, there are a number of critical metals and minerals that are required to support these trends, including electrification of transport, clean energy generation and storage. This presents a unique opportunity for Osmond, which is currently advancing exploration projects across gold, nickel, copper and rare earth elements, to increase exposure to these trends. Additionally the Acquisition is designed to leverage Osmond's deep industry experience to seize an opportunity that ultimately delivers value for shareholders.

By entering into the Agreement, Osmond remains in line with its stated IPO objective of pursing new business developments in addition to its current portfolio of projects. The Agreement includes a modest earn-in expenditure that will maintain Osmond's cash holdings earmarked for existing projects. Osmond plans to undertake an initial assessment of existing geophysical and geochemical data over the Project to design and initiate an exploration program, with potential drilling targeted to commence in 2H CY2023.

Lithium

Current and projected demand for lithium is dominated by electric vehicles (**EVs**), but lithium-ion batteries are also ubiquitous in consumer electronics, defence applications, and in electric grid storage. The U.S. government is focused on building a reliable supply of raw, refined, and processed material inputs for lithium batteries, and has signalled that companies that mine and process minerals have a major role to play in the clean energy transition. The U.S. wishes to reduce manufacturing dependence on scarce materials, or those controlled by unreliable partners, in order to develop a stronger and more secure supply chain. Lithium is included in the U.S. "List of Critical Minerals" as defined by the United States Geological Survey (https://www.usgs.gov/) who identify mineral commodities critical to the U.S. economy and national security.

The U.S. government is driving structural changes to build a new clean energy economy. The Bipartisan Infrastructure Law, CHIPS & Science Act, and Inflation Reduction Act combined will invest more than $135 billion (www.congress.gov) to build America's electric vehicle future, including critical minerals sourcing and processing and battery manufacturing.

Less than half a million tons annually of lithium carbonate equivalent (**LCE**) is currently produced with demand expected to grow five times by 2030 (see Figure 4 and Figure 5 below). The International Energy Agency forecasts that 50 new lithium mines are needed by 2030 to meet the soaring demand from EV's and battery storage markets.[2].

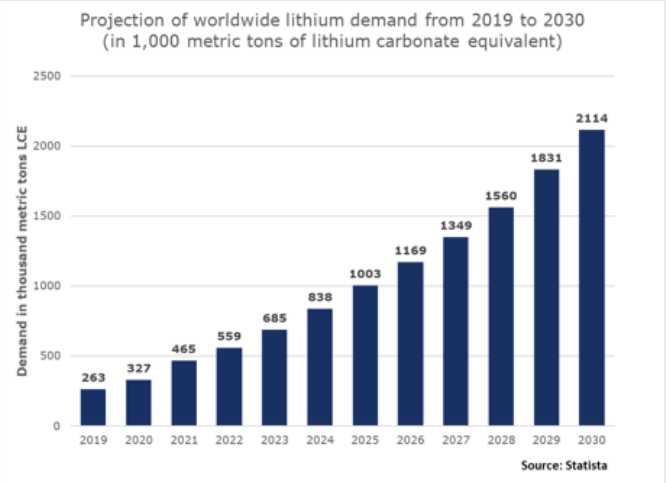

Figure 4: Projected Worldwide Lithium Demand
Source: www.statista.com

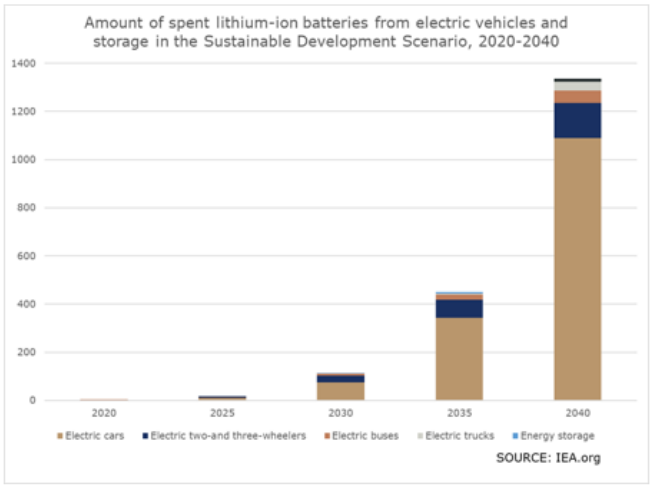

Figure 5
: Projected Lithium Demand from EV batteries
Source: www.iea.org

Boron

Boron is the 5th element on the Periodic Table with a powerful combination of physical properties, including hardness, light weight, and heat resistance. It is one of the most versatile elements in the world, used in many everyday products and technologies, and with diverse exposure across several key climate technologies. Existing uses include glass (borosilicate, glass, fiberglass composites), fertiliser (as a micronutrient), ceramics, and detergents.

New demand, however, from future facing industries is where significant value lies in the opportunity for boron projects. New electric motors for electric vehicles require permanent magnets. The most commonly used is a neodymium ferro boron (**NdFeB**) magnet, made from rare earths, iron and boron. In clean energy generation, boron is also required in the motors wind turbines, in the glass of solar PV

[2] *Source: IEA "Global Supply Chains of EV Batteries" report (https://iea.blob.core.windows.net/assets/4eb8c252-76b1-4710-8f5e-867e751c8dda/GlobalSupplyChainsofEVBatteries.pdf)*

modules, and in nuclear reactors and hydrogen fuel cells. Boron is critical for insulation materials and therefore plays a vital role in energy efficiency and carbon emissions reduction in buildings and industry. In agriculture, boron is an essential micronutrient for plant growth. It supports the nutrition and yield of crops, which enables sustainable farming and reduces agricultural deforestation and emissions.

Boron's value is driven by high commercial value-in-use across a number of critical applications, which are largely not substitutable. 4.5 million tons annually of boric acid (H_3BO_3) is currently produced where demand for boron could be 10x greater than current levels by 2050 with over 90% of this demand coming from climate technologies (see Figure 6 and 7 below).

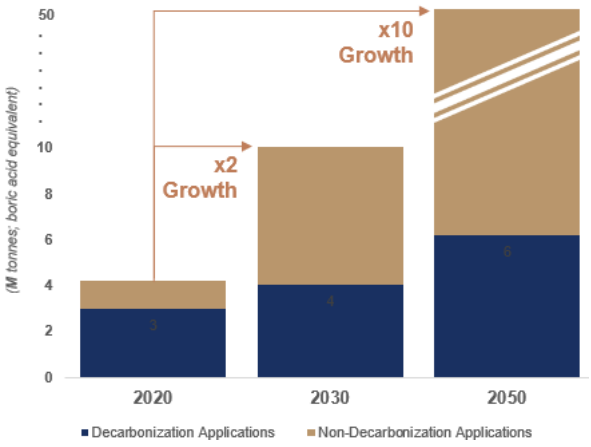

Figure 6: Annual boron demand in 2050 may be between 4-10x of demand today

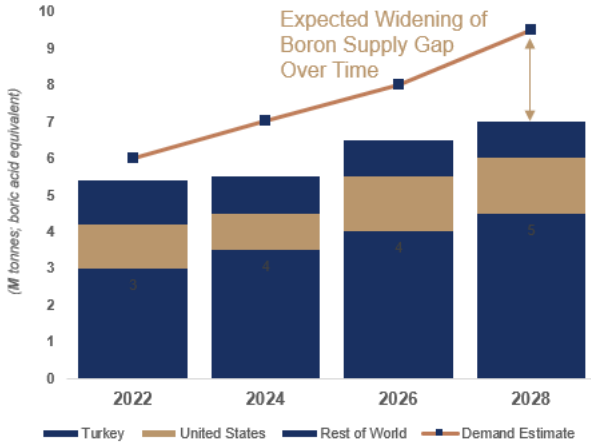

Figure 7: Boron Supply/Demand Imbalance[3]

Source: Credit Suisse Climate Transition Super Materials Equity Research Report December 7, 2021 (High Demand case).

Note: Elemental boron figures converted to boric acid equivalent at a ratio of 1-to-5.72.

[3] Based on "High Demand" case. Alternatively, under the "Low Demand" case, boron demand growth is expected to increase by ~2x in 2030 and ~4x in 2050 relative to 2020.

Salt Wells Project: Previous Exploration

Upon entering into the Project in May 2018, 5E and its predecessor American Pacific Borates (ASX:ABR) undertook surface geochemical sampling and geophysics (Magnetotellurics - MT) programs. Since then there has been limited activity on the Project as 5E focused on the development of their flagship 5E Boron Americas Complex, located in southern California.

The geochemical assay results from the surface salt samples acquired over the northern section of the Project (see ABR ASX Release 25 May 2018, *American Pacific Borate and Lithium agrees earn in rights to acquire 100% interest in two Borate and Lithium exploration Projects in Nevada, USA*), demonstrated elevated levels of lithium and borates. The highest recorded lithium reading was 810ppm Li with several other readings above 500ppm recorded over a wide area (Figure 8). In addition, Boron was assayed for with the results reported with peak values exceeding 10,000pm (1%) boron (Figure 8).

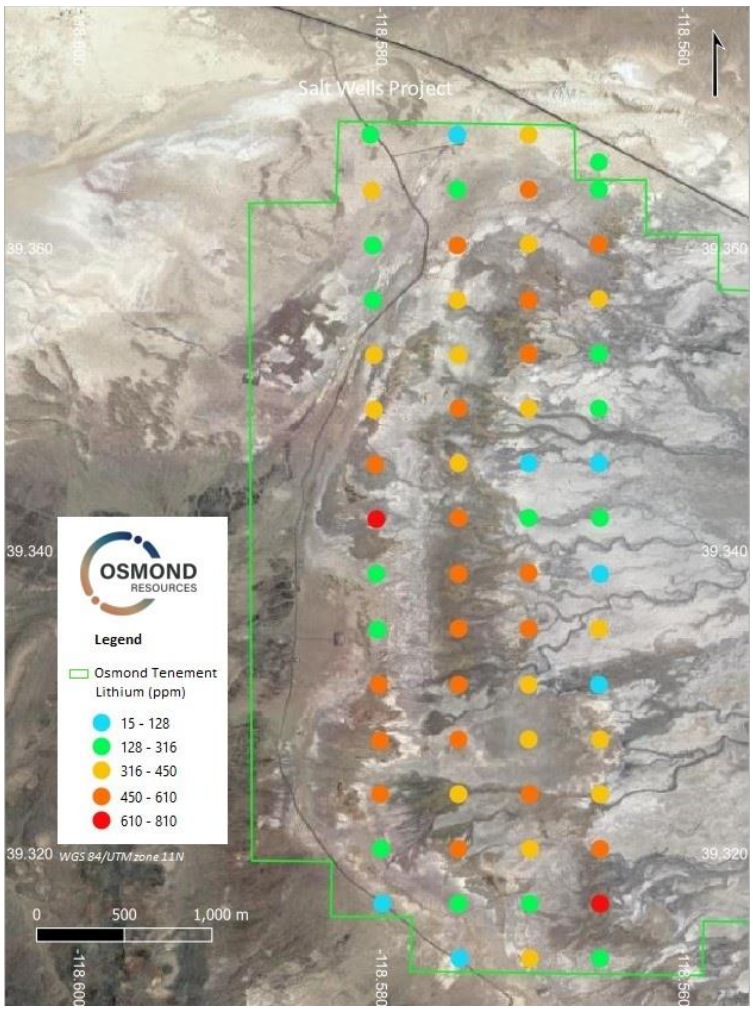

Figure 8: Lithium assay results in ppm from March 2018 geochemical sampling over the northern part of the Salt Wells Project area (ASX:ABR Release 25 May 2018) [1].

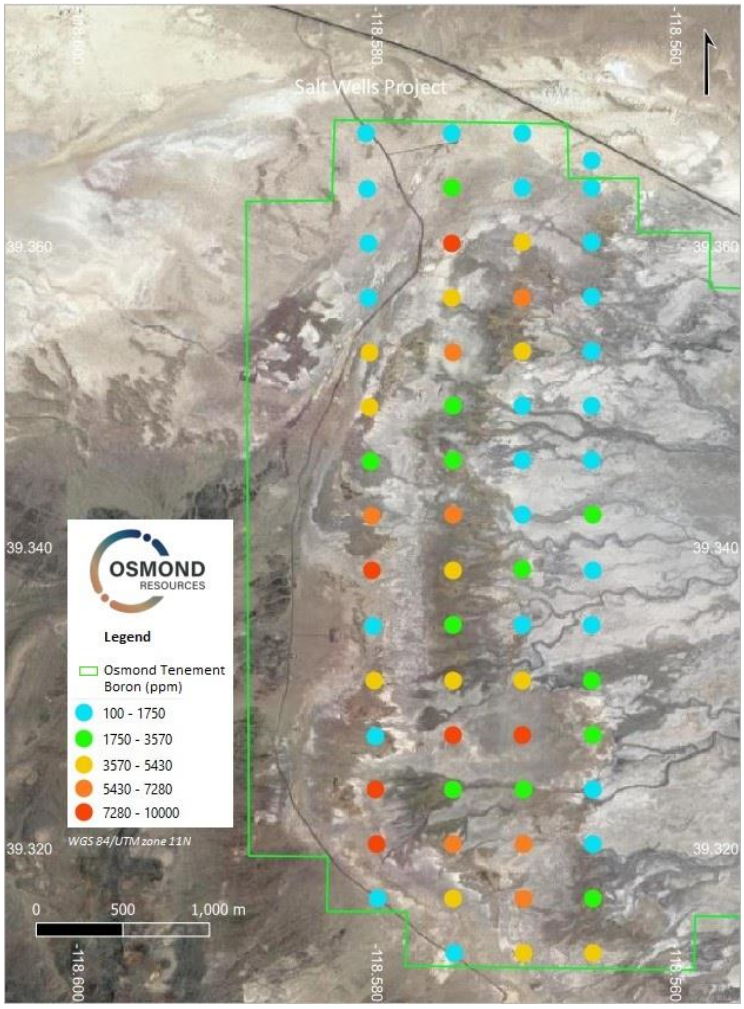

Figure 9: Boron assay results in ppm from March 2018 geochemical sampling (ASX:ABR Release 25 May 2018)[1]

In addition to the geochemical sampling 5E has undertaken approximately 16 kilometres of Magnetotellurics (**MT**) survey over the Salt Wells Project (see ASX release by ABR on 9 October 2018, titled "*Magnetotelluric (MT) survey completed on ABR's Salt Wells Projects*"). Figure 10 shows the location of the MT survey lines with respect to the claims. The survey was designed to determine the location of the basement rock and indicate the potential for brines within the Salt Wells Basin. The survey data is being made available to Osmond and will be used to assist in defining planned exploration.

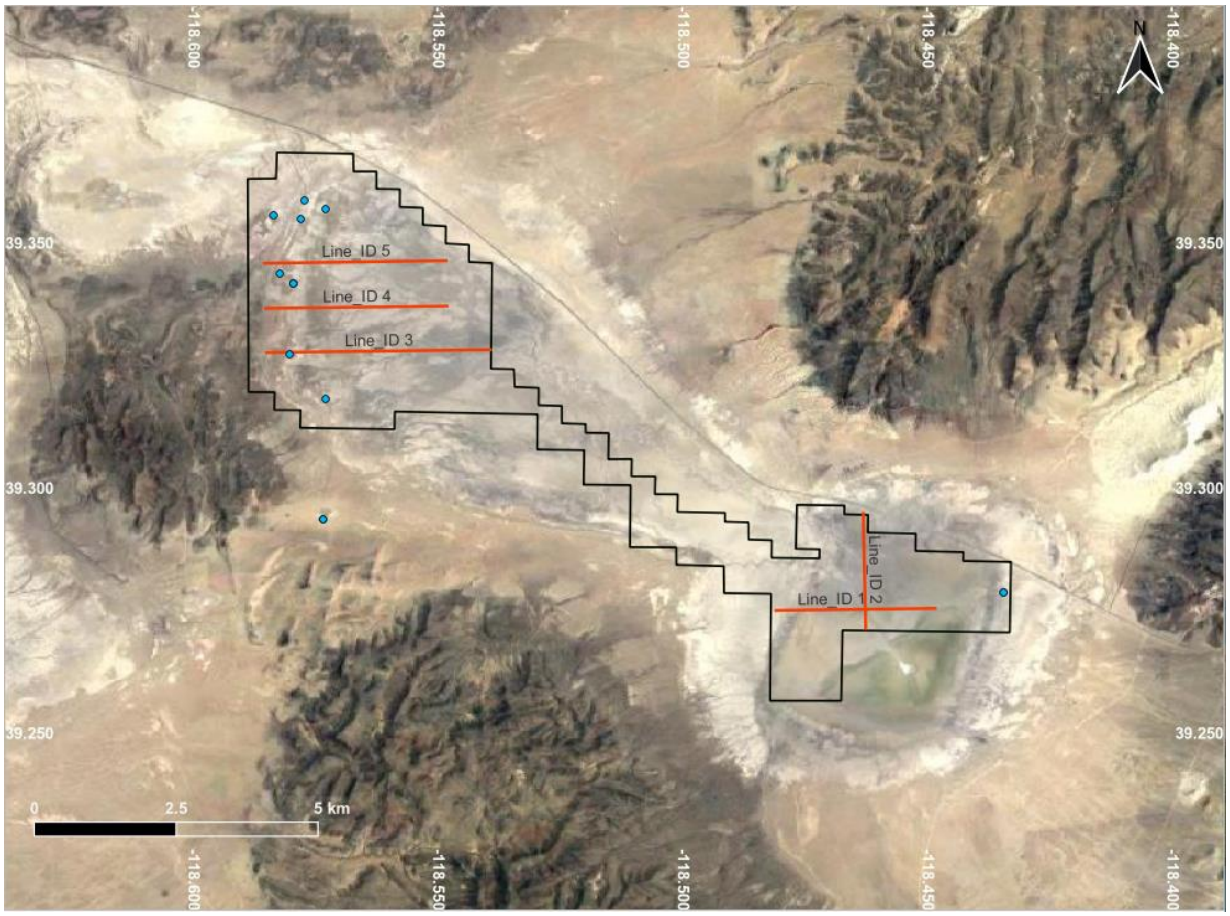

Figure 10: Location of MT lines over the Salt Wells Project Area. Blue dots represent geothermal springs, the red lines represent where historic MT data was acquired.

Geological Model

The geological model for the Salt Wells Project is a closed basin setting where lithium enriched brines are developed due to the interaction between geothermally influenced inflow waters and basin fill sediments. This is the same setting as the Clayton Valley, Nevada, USA (Figure 11). Clayton Valley hosts the Albemarle producing Silver Peak Mine and other developers such as Pure Energy (**TSXV: PE**), Cypress Minerals (**TSXV: CYP**).

Clayton Valley, Nevada is the singular locality for closed-basin Lithium brine production in North America (Figure 1) and has been in production since the 1960s. The brine is dependent on inflow waters and sources of Li either outside and/or inside the basin. Clayton Valley is a topographically closed, half-graben basin, Quaternary alluvial fans rim the valley floor extending from basement fault blocks that structurally bound the basin on all sides.

There is a theory that the Li brine resources may regenerate in place by processes of subsurface leaching from Li-rich lacustrine sediments followed by long-term migration of brine into permeable stratigraphic zones. This process may be enhanced by a high geothermal gradient that aids in Li leaching from the abundant lacustrine sediments in the subsurface.

Based on this model, OSM will be looking to target more permeable potential Li hosting stratigraphic layers at depth.

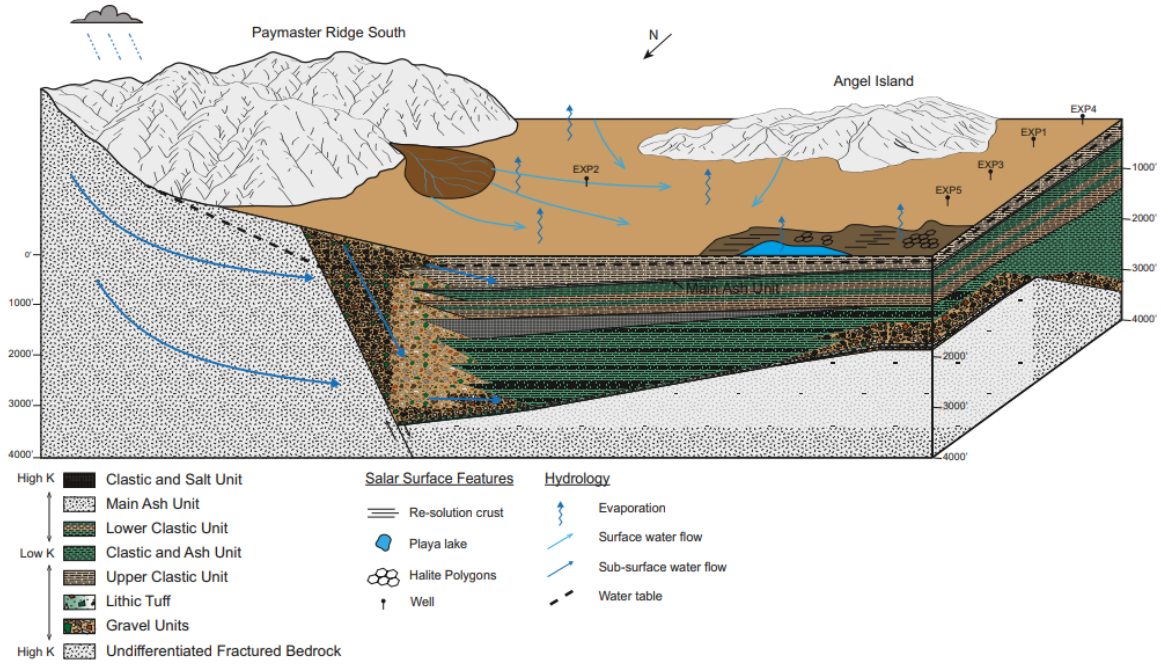

Figure 11: Conceptual three dimensional block diagram of the Clayton Valley subsurface and salar highlighting the lithospheric units. Relative hydraulic conductivity for each unit is shown as well as general hydrological features and process. From: Lithium Storage and Release From Lacustrine Sediments: Implications for Lithium Enrichment and Sustainability in Continental Brines. December 2021. D. M. Coffey, L. A. Munk, D. E. Ibarra, K. L. Butler, D. F. Boutt, J. Jenckes

Agreement Terms

As set above, Osmond has entered into an Agreement with 5E to assume 5E's obligations under the Earn-In Agreement for an exclusive earn-in rights to earn-in and acquire the Salt Wells Project.

The counterparty to the Earn-In Agreement with 5E is Great Basin Resources Inc, (**GBR**), a company registered in Nevada, USA. Under the existing Earn-in Agreement, 5E has an exclusive right to earn and acquire 100% of the Salt Wells Projects by expending, as agent for GBR, a total of US$3,000,000 on the Salt Wells Project, inclusive of annual lease payments through to 31 December 2025 (**Expenditure Requirement**). 5E has partially satisfied the Expenditure Requirement by spending US$543,931.99. The remaining Expenditure Requirement is US$2,456,068, which is proposed to be assumed by Osmond.

Where, upon Osmond satisfying the remaining Expenditure Requirement on behalf of 5E under the Earn-In Agreement, Osmond shall be entitled to an 80% legal and beneficial interest in the Salt Wells Projects, whilst 5EA will retain a 20% interest. The Company will subsequently have an option to acquire the remaining 20% interest from 5EA.

Under the Earn-In Agreement and the Agreement, neither 5E nor Osmond has an obligation to incur the full US$2,456,068 and satisfy the Expenditure Requirement and the annual expenditure amounts (referred to below) are not contractual obligations. Subject to satisfactory results of the initial planned exploration program on the Salt Wells Project, Osmond may withdraw from assuming 5EA's obligations under the Earn-In Agreement and terminate the Agreement at any time.

The remaining expenditure to be assumed by Osmond under the Earn-In Agreement is a total of US$2,456,068 and to be incurred in annual instalments as follows:

- US$900,000 by 31 December 2023;
- US$800,000 by 31 December 2024; and
- US$756,068 by 31 December 2025.

Upon satisfying the Expenditure Requirement and Osmond becoming entitled to an 80% legal and beneficial interest in the Salt Wells Projects, 5E may elect whether or not to form an unincorporated joint venture with the Company to carry out joint venture activities at the Salt Wells Projects, where future funding will be contributed on a pro-rata basis, pursuant to which:

- in the event 5E elects to form an unincorporated joint venture with the Company, 5E and the Company will enter into a joint venture agreement formally document the terms of the joint venture; and
- in the event 5E elects not to enter into a joint venture agreement, the Company shall be entitled to acquire the remaining 20% legal and beneficial in the Salt Wells Projects from 5E by incurring a minimum of US$3,000,000 Project related expenditure.

Borate Sales

Under the Agreement, Osmond also will grant 5E a first right of refusal as its exclusive sales and marketing agent for the sale of borate produced from the Salt Wells Project on an open book basis; and payment of an appropriate industry standard sales and marketing fee to the assignor in relation to any sales of Salt Wells Borate, which is to be agreed by the parties in good faith, but which shall not exceed 5% (Fee). This sales and marketing agreement will not apply to the sale of lithium or any other minerals.

Rights Issue

In conjunction with the acquisition, Osmond intends to undertake a pro-rata non-renounceable rights issue of one (1) fully paid ordinary share (**New Share**) for every three (3) Shares held by shareholders registered at the Record Date (**Eligible Shareholders**), at an issue price of $0.14 per New Share, to raise up to $2.313m (before costs) (**Rights Issue**). The issue price of the New Share is at a 12.5% discount to the market price and 27.1% discount to the 20 day VWAP, which provides and attractive opportunity for existing shareholders to participate at a discounted price. The New Shares issued under the Rights Issue will rank equally with existing shares on issue on the Record Date.

Eligible Shareholders will comprise those shareholders with a registered address in Australia, New Zealand, Hong Kong, Thailand, Singapore, Mongolia and Ireland.

The Company has engaged Veritas Securities Limited (**Veritas**) to act as Lead Manager in respect of any shortfall under the Rights Issue. Fees payable to Veritas will include:

(a) 1% management fee (plus GST) over the total funds raised under the Rights Issue;

(b) 5% placement fee (plus GST) over any funds raised under the shortfall offer of the Rights Issue;

(c) 750,000 lead manager options, exercisable at $0.25 expiring on or before three (3) years from the date of issue (**Lead Manager Options**);

(d) 1 Lead Manager Option for every one dollar raised under the shortfall offer of the Rights Issue, subscribed from designated broker groups.

Veritas will also be reimbursed relating to the DvP settlement facility.

The proceeds of the Rights Issue will be as described in more detail in the Offer Document to be released by the Company. However, the proceeds from the Rights Issue will be predominantly allocated to the Salt Wells Project, including:

- Undertake assessment of exiting exploration data to define exploration targets
- Site visits to undertake geological mapping
- Based on the assessment of the historical information and the geological mapping exploration of the project to potentially include:
    - Geochemistry surface samples
    - 2D seismic surveys
    - Geophysical surveys (Magnetotellurics)
    - Drilling
    - Working Capital

Rights Issue Key Terms

The Key Terms of the Rights Issue are as follows:

Nature of Offer	Non-Renounceable Rights Issue
New Share issue price	$0.14 per New Share
Rights Issue Ratio	1 New Share for every 3 existing shares at the Record Date
Shares currently on issue	49,566,676 Shares
Number of New Shares to be Issued	Up to 16,522,225 New Shares
Total Shares on issue following the Rights Issue	66,088,901
Amount Raised under the Rights Issue	Up to $2,313,112 before issue costs

Indicative Timetable

Event	Date*
Rights Issue announcement and company resumes trading	Monday, 22 May 2023
Lodgement of Offer Document (pre-market)	Tuesday, 23 May 2023
Ex date	Friday, 26 May 2023
Record Date	Monday, 29 May 2023
Dispatch of Offer Document and Rights Issue Offer opens	Thursday, 1 June 2023
Last day to extend Closing Date	Wednesday, 7 June 2023
Closing of Rights Issue Offer*	Tuesday, 13 June 2023
Securities quoted on a deferred settlement basis	Wednesday, 14 June 2023
ASX and Lead Manager notified of under subscriptions	Thursday, 15 June 2023
Allotment and issue of New Shares under Rights Issue Offer	Tuesday, 20 June 2023
Expected date of quotation of the New Shares issued under the Rights Issue*	Wednesday, 21 June 2023

*Dates are indicative and subject to change. The Company reserves the right to amend any or all dates and times subject to the Corporations Act, the ASX Listing Rules and other applicable laws. The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date The commencement of quotation of the shares is subject to ASX confirmation.

Competent Person Statement

The information in this report that relates to Mineral Resources is based on information compiled by Mr Charles Nesbitt. Mr Charles Nesbitt is a full-time employee of Osmond Resources Ltd. Mr Charles Nesbitt has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC code). Mr Charles Nesbitt consents to the inclusion of this information in the form and context in which they occur.

Disclosure

Directors, Daniel Eddington and Andrew Shearer along with Company Secretary, Adrien Wing, all hold nonsignificant interests in 5EA.

-Ends-

This announcement has been approved for release by the Board of Osmond Resources and lifts the trading halt that the Company requested on 18 May 2023.

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Appendix I – Lithium and Borate assay results in ppm from March 2018 geochemical sampling (ASX:ABR Release 25 May 2018)[1]

Sample Name	Easting (m) (NAD 83)	Northing (m) (NAD 83)	Li (ppm)	B (ppm)
SWG1	363840	4358750	291	790
SWG2	363838	4358343	439	1170
SWG3	363836	4357936	257	1600
SWG4	363834	4357533	262	1740
SWG5	363830	4357133	428	4290
SWG6	363827	4356733	376	3750
SWG7	363824	4356333	460	2920
SWG8	363821	4355930	810	7190
SWG9	363820	4355524	221	10000
SWG10	363817	4355118	265	590
SWG11	363815	4354712	560	5080
SWG12	363813	4354308	520	1000
SWG13	363811	4353907	580	8280
SWG14	363809	4353506	256	8860
SWG15	363806	4353105	15	100
SWG16	364336	4358742	121	470
SWG17	364329	4358337	281	2470
SWG18	364323	4357931	490	10000
SWG19	364316	4357529	348	4840
SWG20	364310	4357129	450	6870
SWG21	364304	4356729	490	3020
SWG22	364297	4356329	405	2240
SWG23	364291	4355926	480	6240
SWG24	364285	4355520	490	4340
SWG25	364278	4355114	470	3570
SWG26	364272	4354708	460	4830
SWG27	364265	4354304	480	10000
SWG28	364259	4353903	450	2610
SWG29	364253	4353502	610	5840
SWG30	364246	4353101	309	3910
SWG31	364240	4352695	114	360
SWG32	364738	4358736	396	1340
SWG33	364731	4358332	560	1010
SWG34	364725	4357927	386	4970
SWG35	364718	4357524	600	6390
SWG36	364712	4357124	490	5430
SWG37	364706	4356724	419	1560
SWG38	364699	4356324	52	750
SWG39	364693	4355922	315	1160
SWG40	364687	4355517	520	3250
SWG41	364680	4355109	520	970

SWG42	364674	4354702	376	4720
SWG43	364667	4354299	419	10000
SWG44	364661	4353897	550	3160
SWG45	364655	4353495	418	6330
SWG46	364648	4353091	316	7280
SWG47	364642	4352689	346	4030
SWG48	365137	4358527	210	1690
SWG49	365134	4358326	275	830
SWG50	365125	4357922	490	1720
SWG51	365120	4357520	362	1420
SWG52	365113	4357121	198	620
SWG53	365108	4356722	220	1720
SWG54	365101	4356321	21	700
SWG55	365096	4355916	168	2890
SWG56	365089	4355508	65	1750
SWG57	365081	4355103	334	1400
SWG58	365073	4354694	128	2480
SWG59	365068	4354294	450	2700
SWG60	365061	4353892	378	1310
SWG61	365056	4353488	520	1270
SWG62	365049	4353086	710	2800
SWG63	365042	4352682	210	4790

1 JORC CODE, 2012 EDITION – TABLE 1 REPORT TEMPLATE

1.1 Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or Specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	As outlined in the ASX:ABR Release 25 May 2018[1], "the 63 surface salt samples were collected under the supervision of the Competent Person, on a 400 metre by 400 metre grid. Sample size averaged 15-20 grams. The samples were analysed by ALS Chemex of Reno, Nevada using ICP (Inductively Coupled Plasma). Standards were included. The samples were taken by a field technician with over 30 years' experience".
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).*	Not applicable as no drilling results are being reported
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure*	Not applicable as no drilling results are being reported

Criteria	JORC Code explanation	Commentary
	representative nature of the samples. • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	
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.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	Not applicable as no drilling results are being reported
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	As outlined in the ASX:ABR Release 25 May 2018[1], "the samples were collected wet, sent to the laboratory in Reno, Nevada, and dried. The laboratory split the samples to ensure a representative sample. The split sample would ensure that there was not sample bias".
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis*	As outlined in the ASX:ABR Release 25 May 2018[1], "the assaying methodology is standard for the industry and gives total element contained up to the limit of detection which is 1% for Boron. Internal standards and repeats were used to check the work".

Criteria	JORC Code explanation	Commentary
	including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	As outlined in the ASX:ABR Release 25 May 2018[1], "the third party laboratory, ALS Chemex issues certified copies of the assay results".
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	As outlined in the ASX:ABR Release 25 May 2018[1], "the GPS device used for the 400m x 400m grid has 3 metre accuracy. UTM, NAD83".
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	As outlined in the ASX:ABR Release 25 May 2018[1], "400m x 400m surface sample grid".
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the*	As outlined in the ASX:ABR Release 25 May 2018[1], "Unbiased N-S/E-W grid".

Criteria	JORC Code explanation	Commentary
	orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	
Sample security	• *The measures taken to ensure sample security.*	As outlined in the ASX:ABR Release 25 May 2018[1], "Secure transport directly from field to the laboratory".
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	As outlined in the ASX:ABR Release 25 May 2018[1], "data shows linear trends matching known structures". This is yet to be verified by OSM.

1.2 Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	The Salt Wells Project consists of 276 mineral claims, covering an area of ~36km2 All claims are owned by Great Basin Resources, Inc. As per the terms of the Deed of Assignment and Assumption Agreement entered into between OSM and 5EA, OSM to assume 5E's exclusive earn-in rights to earn-in and acquire the Salt Wells lithium-borate Project by assuming 5E's obligations and acquire an 80% interest in the Salt Wells Project, with a limited right to acquire up to 100% from 5E.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	Previous exploration undertaken by 5EA includes surface samples (reported in this release) and a Magnetotellurics (MT) survey. At this stage the MT data has not been reviewed by Osmond and remains to be reported on.
Geology	• *Deposit type, geological setting and style of mineralisation.*	The Salt Wells Project is believed to lie in an internally drained, fault bounded basin that covers approximately 110km^2. The geological setting hosting the borates and lithium is a playa lake structure similar to Clayton Valley in Nevada that currently hosts North America's only producing lithium mine. The evaporite runs North South for 19kms and East West averaging 6kms. The evaporite gently dips from North to South. The northern portion of the project is interpreted to be located in the shallower north-western section of the basin and the southern portion of the project is located in the interoperated deeper

Criteria	JORC Code explanation	Commentary
		South Eastern section of the basin.

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in 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.*
		Not applicable as no drilling results are being reported

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	As outlined in the ASX:ABR Release 25 May 2018[1], "Truncation of the results from the 63 samples was only relevant where Boron grades were over 10,000 ppm. Geochemical processes used were only able to record up to 1% Boron or 10,000 ppm. Aside from the above, the 63 samples were not truncate or manipulated in any way".
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	At this time, with only 63 surface samples on a 400m x 400m grid it is difficult to determine any relationships between grade and region. Proposed drilling on the Project should provide further information to determine relationships between data, if any.

Criteria	JORC Code explanation	Commentary
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.*	The appropriate diagrams relating to above mentioned Salt Wells North surface sample assay results for lithium and boron, and the MT survey are located within the ASX announcement attached. Table of surface sample assay results for lithium and boron are located within Appendix 1 of this announcement.
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.*	The information in the surface sample assay result maps within the attached ASX announcement is presented in Appendix 1. As outlined in the ASX:ABR Release 25 May 2018[1], "Boron samples ranged from 100ppm to over 10,000 ppm. Four samples were over 10,000 ppm which means it is not possible to provide an arithmetic average. Lithium samples ranged from 15 ppm to 810 ppm. The arithmetic average of these samples was 375 ppm".
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.*	The initial exploration has been limited to 63 samples on a 400m x 400m grid. At this time, there is limited exploration results to comment further on the extrapolation of this data into meaningful exploration targets or resource estimates. A full exploration program is currently being planned.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Osmond plans to undertake a review and interpretation of existing data before defining an exploration program. It is envisaged that possible additional geophysics (EM, gravity, MT or seismic) could be undertaken along with drilling.