ASX Announcement

Blesberg Lithium-Tantalum Project Update

AVL exercises option to secure project

Highlights:

- **AVL elects to exercise option to acquire 50.03% interest in the Blesberg Lithium-Tantalum Project in South Africa.**
- **Due diligence, including Blesberg Mine pegmatite sampling program, successfully completed.**
- **Blesberg Mine pegmatite sampling recorded mineralised spodumene with grades ranging from 1.27% - 6.42% Li_2O.**
- **Settlement of the acquisition of SA Lithium due to be completed in December 2016.**
- **Exploration, including the first significant drilling programme at the Blesberg Mine, to commence as soon as possible.**

Australian Vanadium Limited (ASX:AVL, "the Company" or AVL") is pleased to announce the exercise of its option to acquire a controlling 50.03% interest in the Blesberg Lithium-Tantalum Project following successful completion of a due diligence process including a review of the results of a new sampling programme of the pegmatite zone within the Blesberg mine open pit.

The Company recently announced its intention to acquire an interest in the Blesberg Lithium-Tantalum Project through the acquisition of South African Lithium Pty Ltd ("SA Lithium") (see ASX announcement dated 4 November 2017). Details of the commercial terms are set out in Appendix 1.

Settlement of the acquisition of SA Lithium is now expected to occur in December 2016.

18 November 2016

ASX ANNOUNCEMENT

Australian Vanadium Limited

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Projects:

Gabanintha - Vanadium
Blesberg – Lithium/Tantalum

Work Program

The Company intends to commence an exploration program on the Blesberg Project as soon as possible. The activities to be undertaken over the coming months will consist of:

- 3-D modelling and drill-hole design and planning;
- Reverse Circulation(RC)/diamond drilling and sample analysis;
- Mapping and sampling of additional pegmatite zones across the Prospecting Right area;
- Evaluation of all potential economic minerals present at Blesberg, including feldspar, tantalum, beryl, caesium and lithium potential;
- Determination of an accurate exploration target at Blesberg (including the main Noumas I pegmatite and adjacent pegmatite bodies), and
- Volumetric and analytical assessment of the current dump and ramp material at Blesberg.

AVL looks forward to reporting progress on these exploration activities as they are completed.

Project Overview

The Blesberg Project is located approximately 80km north of Springbok in the remote Northern Cape Province of South Africa (see Figure 1). It lies at the western end of the Northern Cape Pegmatite Belt.

The deposit is one of the largest known economically mineralised and exploited pegmatite deposits in the Pegmatite Belt.

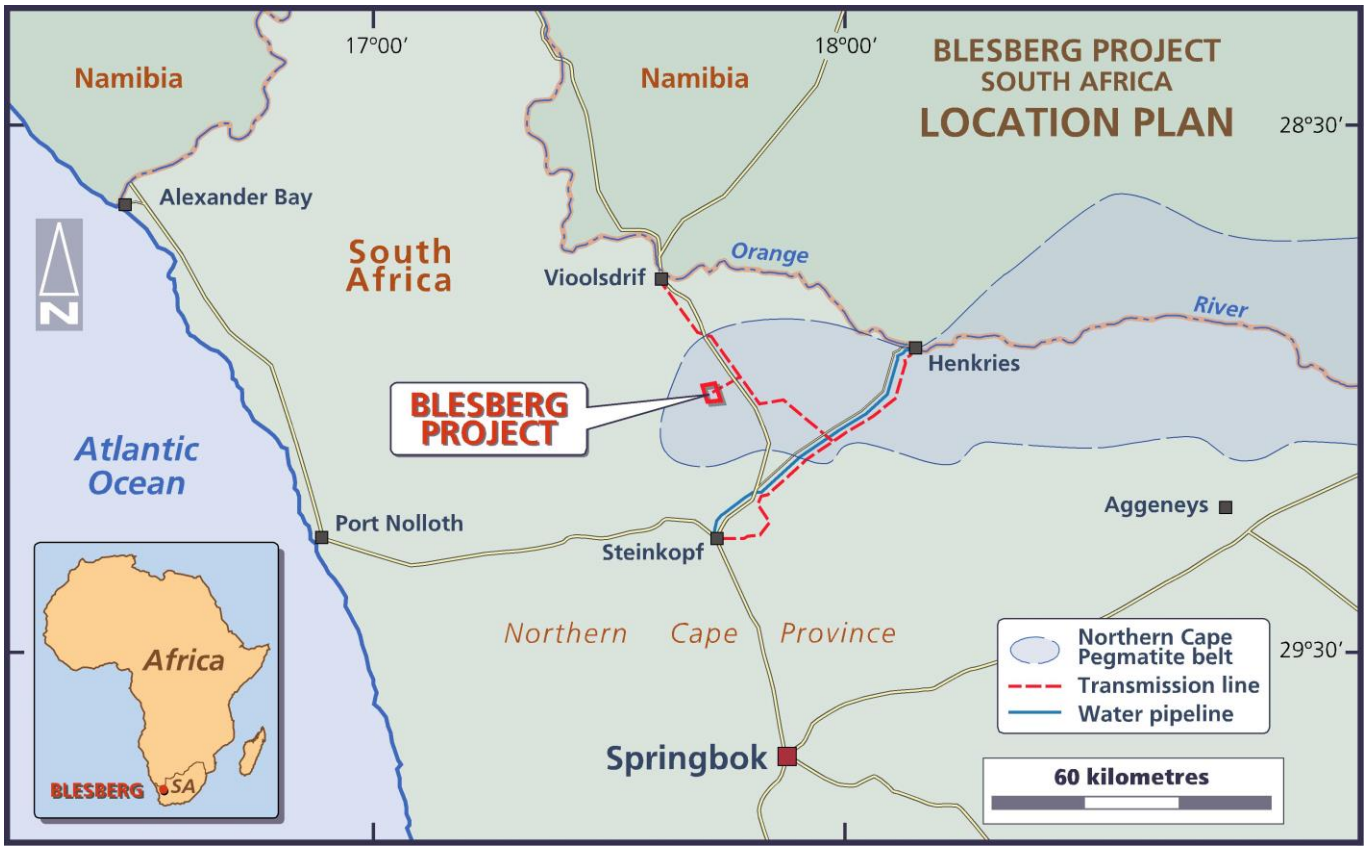

Figure 1 – Location Map

Mining at Blesberg commenced in 1925 when it was worked mainly for bismuth. The main products from later mining were beryl, bismuth, tantalite-columbite, spodumene, feldspar and mica. Feldspar production from the mine was reported to be of very high quality with the feldspar being pure white and unstained by iron oxide. Production was sold into the glass and ceramics industry.

Historical information about mine production quantities and quality is very limited, however a sample analysis of a 150 ton shipment of feldspar from the 1960's assayed 1.74% Li_2O (*Schutte, I. Memoir 60 Geological Survey of South Africa,1972*).

The main pegmatite at the Blesberg Mine is referred to as Noumas I and is the site of the most extensive excavation from historical mining activities including some underground stoping (see Plate 1). The Noumas I pegmatite is hosted in granodiorite country rock and is a heterogenous lithium-caesium-tantalum (LCT) type pegmatite.

Plate 1 – Historical Blesberg Mine workings (Noumas I) looking WNW

Heterogenous pegmatites usually have a systematic arrangement of constituents and zones that vary in mineralogy and texture. The internal zonation of the Noumas I pegmatite is summarised in Table 1 below (*Minnaar and Theart 2006*) and shown in Figure 2.

Table 1. Summary of the Zonation of Noumas I Pegmatite.

Zone		Mineralogy
Border Zone		Microcline, plagioclase, quartz, muscovite, (garnet)
Wall Zone		Muscovite, quartz, plagioclase, microcline-perthite, (beryl, bismuth minerals, apatite, triplite, garnet)
Sugary Albite assemblage		Resembles chilled border zone. Albite quartz, garnet, apatite, microcline)
Intermediate Zone	**1st Intermediate - Capping Zone**	Graphic pegmatite (beryl, columbo-tantalite)
	2nd Intermediate - Spodumene Zone	**Spodumene** (crystals up to 1m long), albite (cleavelandite), quartz, (microcline-perthite, beryl, columbo-tantalite)
Core Zone		Milky quartz, microcline-perthite
Undifferentiated pegmatite		Cleavelandite, quartz, (microcline, muscovite, spodumene, beryl, columbo-tantalite)
Replacement bodies		Muscovite, cleavelandite, (microcline-perthite, columbo-tantalite, microlite, thorite, orangite, gummite)
Fracture Fillings		Alblite and quartz

Sampling Programme

An initial site visit was completed by personnel from MSA Group (Pty) Ltd ("MSA") as part of the due diligence process undertaken by SA Lithium. A total of 20 samples were taken from 9 sample sites (see Figure 5) which were considered representative of the spodumene mineralisation observed in the Spodumene Zone within the old mine workings.

The sampling was not intended to provide a representative Li-grade of the pegmatite or the Spodumene Zone but rather an indication of the lithium content of the spodumene.

Most of the spodumene observed and sampled in the open pit was either altered or replaced and, consequently, contained very low remnant Li_2O grades. However, six of the spodumene samples reported lithium contents of between 1.27% - 6.42% Li_2O indicating that not all the spodumene is altered (see Plate 2). Importantly these high-grade samples were not restricted to any specific portion of the Spodumene Zone.

A summary of assay results is shown in Table 2 and Figure 5.

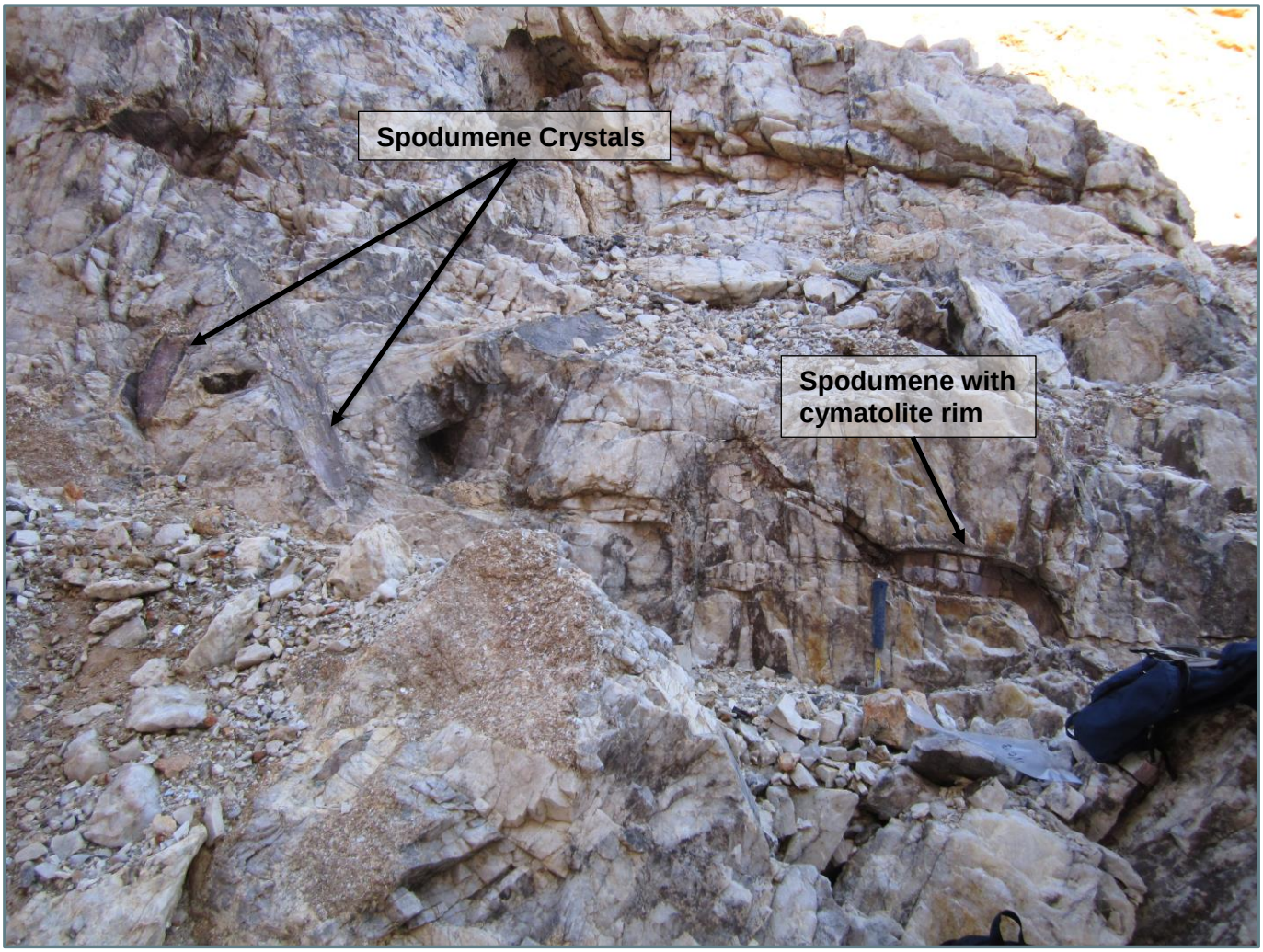

Plate 2 – Sample location W0113 (6.42% Li_2O)

The assay results confirm that where the spodumene has been extensively altered, depletion in lithium due to late stage hydrothermal processes within the pegmatite has occurred. This is a common situation in many pegmatite deposits including the prolific Pilbara pegmatites of Western Australia and others located in very old geological terranes.

This depletion is likely to be restricted to the upper portions of the pegmatite below the Core Zone with the potential for fresher, unaltered lithium-bearing material at depth within the Spodumene Zone as evidenced by the presence of the higher sample grades in fresh material. (see Figure 2 Section A-A'). This implies significant potential for the unexposed component of Blesberg below the current shallow workings and along strike to the west under cover and in the many adjacent pegmatite bodies at Blesberg which have a similar nature (see Figure 3).

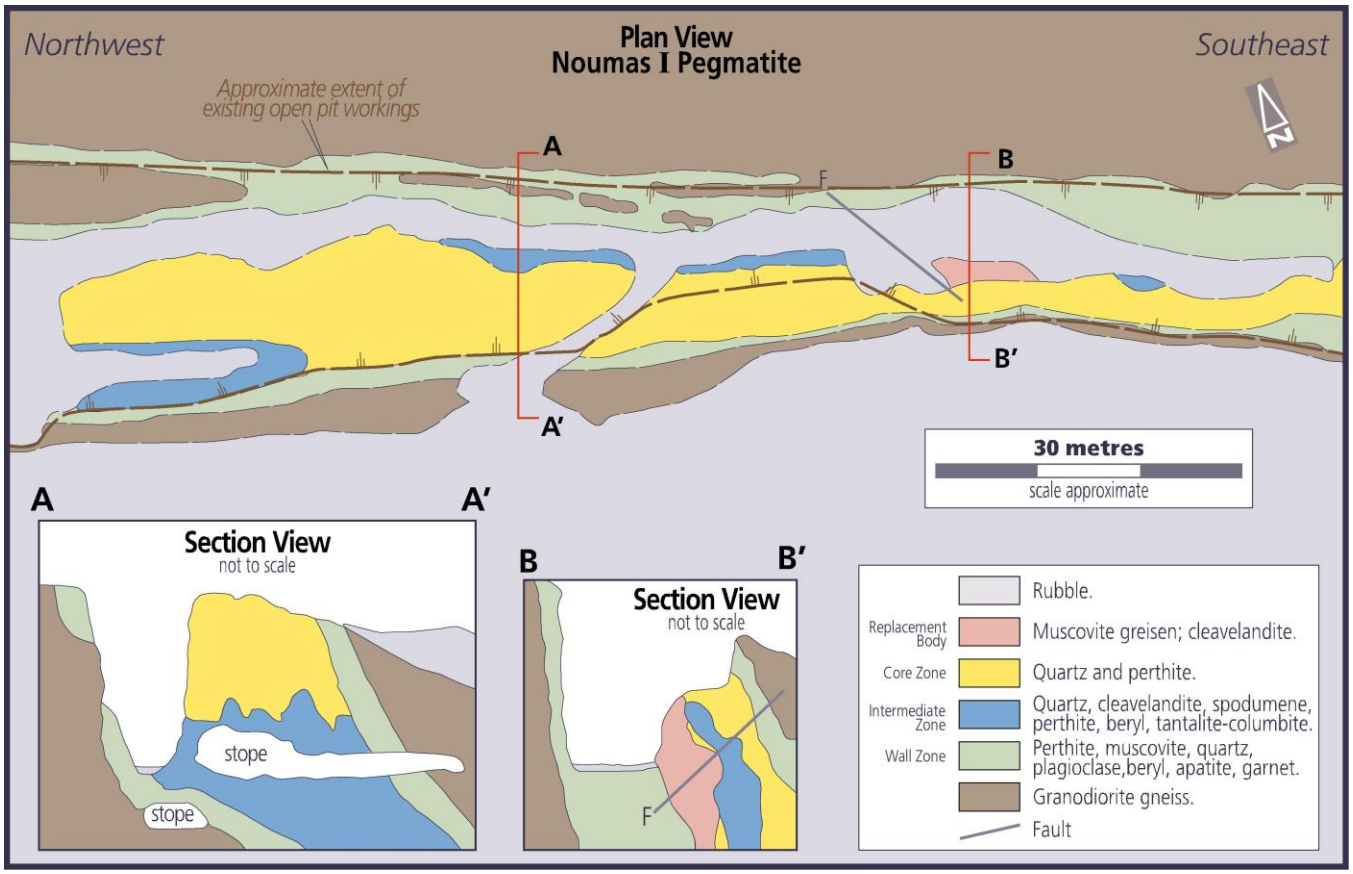

Figure 2 - Geological plan and sections across an exposed portion within the old workings of the Noumas I (Blesberg) Pegmatite (Schutte 1972).

The following recommendations and comments were made by MSA based on their observations during the site visit and the sampling results.

The work plan going forward should include:

- Detailed mapping of the exposed pegmatite zones within Noumas I to better quantify the relative proportions of the various zones. The map presented in Figure 2 is not to scale and does not provide sufficient detail on the distribution of the Spodumene Zone and other zones.
- Reverse Circulation drill testing along the strike of the Noumas I pegmatite. If the results are positive a more detailed diamond core drilling campaign would be recommended. The purpose will be to ascertain the following:
  i. The depth and strike extent and thickness of the pegmatite
  ii. The variation of the spodumene mineralisation in terms of content and alteration with depth.
  iii. Possible extensions of Noumas I beyond the currently known extents.
- Detailed mapping and RC-drill testing of the other pegmatites within the Prospecting Right area (showing up as white trending zones in figure 3 and 4). Based on the historical reports of Noumas I, pre-mining, the Spodumene Zone was not exposed on surface, so there is the potential that other outcropping pegmatites in the area are mineralised with regards to lithium.
- The waste dumps represent a potentially low grade lithium target with low operating costs. Some additional sampling of the waste dumps to assess their spodumene potential is required.

Figure 3 – Blesberg Hill showing old mine workings and numerous pegmatite veins.

Other Due Diligence Matters

The Company has satisfactorily undertaken due diligence reviews of:

- South African Lithium (Pty) Ltd
- Southern African Lithium and Tantalum Mining (Pty) Ltd (SALT); and
- New Order Prospecting Right (NC) 940 PR held by SALT (see Figure 4).

For further information, please contact:

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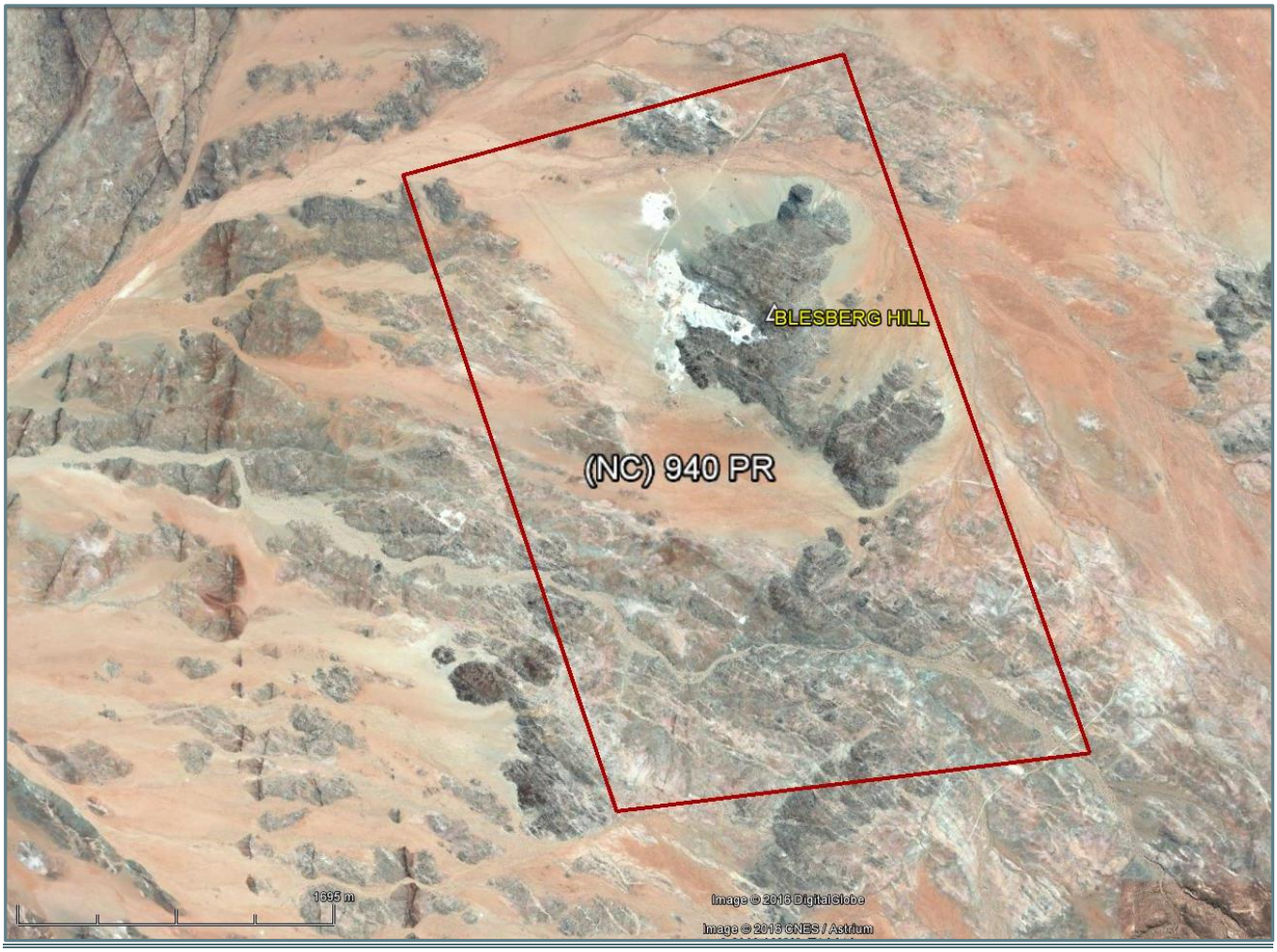

Figure 4 – Tenement Map of (NC) 940 PR overlain on Google Earth Imagery

Competent Person Statement – Blesberg Sampling Program

The information relating to the Blesberg Lithium-Tantalum Project sampling program reported in this announcement is based on information compiled by Mr. Michael Cronwright MSc. Pr.Sci.Nat. who is a Fellow of The Geological Society of South Africa (GSSA) and a full-time employee of MSA (MSA Group (Pty) Ltd). Mr Cronwright has more than 17 years' experience in the field of mineral exploration. He has sufficient experience relevant to the style of mineralisation and type of deposit under consideration 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. Cronwright consents to the inclusion in the report of the matters based on the information made available to him, in the form and context in which it appears.

Table 2 – Sampling Results (Rock chip samples)

Sample ID	Sample Wt (kg)	Easting (m)	Northing (m)	Elev. (m)	Sample Description	Li (%)	Li_2O (%)	Ta (ppm)	Th (ppm)	U (ppm)
W0110	1.58	766116	6790786	777	Altered green spodumene with siliceous cores	0.03	0.06	30	16	<4
W0111	1.09	766116	6790786	777	Altered green spodumene with siliceous cores	0.03	0.06	<10	19	4
W0112	2.34	766116	6790786	777	Altered green spodumene with siliceous cores	0.18	0.40	<10	8	<4
W0113	**2.17**	**766083**	**6790799**	**754**	**Pink spodumene (minor green spodumene)**	**2.98**	**6.42**	**<10**	**4**	**<4**
W0114	**2.29**	**766081**	**6790802**	**750**	**Spodumene (from edge of greisen zone)**	**2.09**	**4.50**	**<10**	**<4**	**<4**
W0115	1.87	766073	6790806	750	Greisen sample – elevated radioactivity	0.02	0.04	180	54	14
W0116	**1.54**	**766065**	**6790814**	**749**	**Spodumene (small crystals) in greisen and greisen**	**0.59**	**1.27**	**60**	**17**	**<4**
W0117	0.91	766018	6790823	743	Cleavelandite	0.02	0.04	30	9	4
W0118	1.10	766018	6790823	743	Cleavelandite	0.02	0.03	40	6	5
W0119	1.53	766018	6790823	743	Spodumene - altered	0.02	0.04	<10	10	<4
W0120	1.50	766018	6790823	743	Spodumene - altered	0.01	0.02	<10	7	<4
W0121	**1.79**	**766018**	**6790823**	**743**	**Spodumene – slightly altered**	**2.72**	**5.86**	**<10**	**<4**	**<4**
W0122	0.57	766018	6790823	743	Altered green spodumene	0.03	0.06	<10	11	4
W0123	0.55	766018	6790823	743	Pink material around green altered spodumene	<0.005	<0.01	10	5	<4
W0124	**2.06**	**766017**	**6790827**	**743**	**Spodumene – slightly altered**	**2.35**	**5.06**	**<10**	**<4**	**<4**
W0125	1.49	765988	6790834	715	Spodumene - altered	0.02	0.05	<10	10	<4
W0126	1.91	765988	6790834	715	Spodumene – altered with rims	0.02	0.03	<10	11	<4
W0127	1.35	765988	6790834	715	Spodumene - altered	0.01	0.02	10	11	4
W0128	2.05	765748	6791371	671	Dump material	0.083	0.18	20	16	6
W0129	**1.58**	**766246**	**6790720**	**779**	**Spodumene - green**	**2.00**	**4.30**	**10**	**6**	**<4**

Table 3 – Assay Methods

Assay method and description	Elements and grade range
Li-OG63 (Li by HF-HNO3-HCLO4 digestion, HCl Leach)	Li - 0.005 – 10 %
ME-XRF05 (A pressed pellet is prepared and analyzed by Wavelength Dispersive XRF)	Ta - 10-5,000 ppm Nb - 2-4,000 ppm Th - 4-4,000 ppm U - 4-10,0000 ppm

About Australian Vanadium Limited

AVL is a diversified resource company with an integrated strategy with respect to energy storage, seeking to offer investors a unique exposure to all aspects of the vanadium value chain – from resource through to steel and energy storage opportunities.

AVL is advancing the development of its 100%-owned, world-class Gabanintha vanadium project. Gabanintha is currently one of the highest-grade vanadium projects being advanced globally with Measured, Indicated and Inferred Resources of 91.4Mt, grading 0.82% V_2O_5 and containing a discrete high-grade zone of 56.8Mt, grading 1.0% V_2O_5 reported in compliance with the JORC Code 2012 (ASX Announcement 10 November 2015).

AVL also aims to develop a local production capacity for high-purity vanadium electrolyte, which forms a key component of vanadium redox flow batteries (VRFB). The Company has recently purchased a vanadium electrolyte pilot plant from C-Tech Innovation Limited, a research, technology and innovation organisation based in the UK. C-Tech Innovation Limited has developed technologies for electrochemical preparation of vanadium electrolyte as well as many other chemical and electrochemical technologies.

This purchase will enable AVL to develop unique vanadium electrolyte production expertise and capability in Australia, through both stand-alone and planned mine-attached facilities. The pilot plant will be used to test and verify the production of vanadium electrolyte products that are suitable and approved for use in third party VRFB products being sold in Australia, New Zealand, the Pacific and Asia.

AVL, through its 100%-owned subsidiary VSUN Energy Pty Ltd, is also actively marketing VRFB in Australia through a distribution agreement with world-leading flow battery manufacturer, GILDEMEISTER Energy Storage GmbH.

Competent Person Statement – Gabanintha Mineral Resource Estimation

The information relating to the Gabanintha Project 2015 Mineral Resource estimate reported in this announcement is based on information compiled by Mr John Tyrrell. Mr Tyrrell is a Member of The Australian Institute of Mining and Metallurgy (AusIMM) and a full-time employee of AMC (AMC Consultants Pty Ltd). Mr Tyrrell has more than 25 years' experience in the field of Mineral Resource Estimation. He has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and in resource model development 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. Tyrrell consents to the inclusion in the report of the matters based on the information made available to him, in the form and context in which it appears.

The information is extracted from the report entitled "Substantial high-grade vanadium resource highlights Gabanintha's world-class potential" released to ASX on 10 November 2015 and is available on the company website at australianvanadium.com.au.

The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resource or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the competent person's findings are presented has not been materially modified from the original market announcement.

Appendix 1

Commercial Terms of Acquisition of South African Lithium (Pty) Ltd

a) Option Details: Grant AVL the right to acquire 100% of the shares of South African registered company South African Lithium (Pty) Limited ("SA Lithium"). SA Lithium has the right to acquire a 50.03% interest in Southern African Lithium and Tantalum Pty Ltd ("SALT") which wholly owns the Blesberg Project tenement.

b) Option Fee: 7 million AVL shares – issued 15 November 2016.

c) Option Terms: Option expires on 6 December 2016.

d) Upon AVL exercising the Option, the consideration for 100% interest in SA Lithium is:
   i. 70,000,000 AVL shares;
   ii. 40,000,000 Performance Rights, each convertible within 18 months into one AVL share upon AVL electing to proceed with further exploration on the Blesberg Project following completion of the first drilling programme of at least 2,000 metres,
   iii. 40,000,000 Performance Rights, each convertible within 3 years into one AVL share upon AVL announcing a mineral resource estimate, reported in compliance with the 2012 JORC Code, which contains at least 50,000 tonnes of Lithium Carbonate Equivalent, and
   iv. the vendor of SA Lithium retaining a 1.0% Net Smelter Return Royalty on all production from the Blesberg Project, conditional upon SA Lithium holding a minimum 50% interest in SALT.

e) AVL is to fully fund SA Lithium's acquisition of 50.03% of SALT shares, by:
   i. payment of US$1,000,000 to the present shareholders of SALT in three tranches being:
      a. US$250,000 to be paid at settlement;
      b. US$250,000 upon completion of the first drilling programme, and
      c. US$500,000 upon announcement of a mineral resource estimate reported in compliance with the 2012 JORC Code (collectively being the "Cash Components"), and
   ii. funding an Exploration Earn-in Phase of US$2,000,000 by June 2018.

The issue of the 70 million AVL shares and the 80 million performance rights will be made under the Company's existing capacity under Listing Rule 7.1.

After the payment of the Cash Components and completion of the Exploration Earn-in Phase, the SALT shareholders will fund further project expenditure in proportion to their shareholding or be diluted.

If the other shareholders of SALT do not participate in ongoing funding, or elect to sell their holding to SA Lithium, the Company has the potential to acquire up to a maximum 74% interest in the Project.

SALT has established an appropriate Broad-Based Black Economic Empowerment (BEE) ownership structure with strong local partners. The minimum BEE holding in the company and/or project is fixed at 26%.

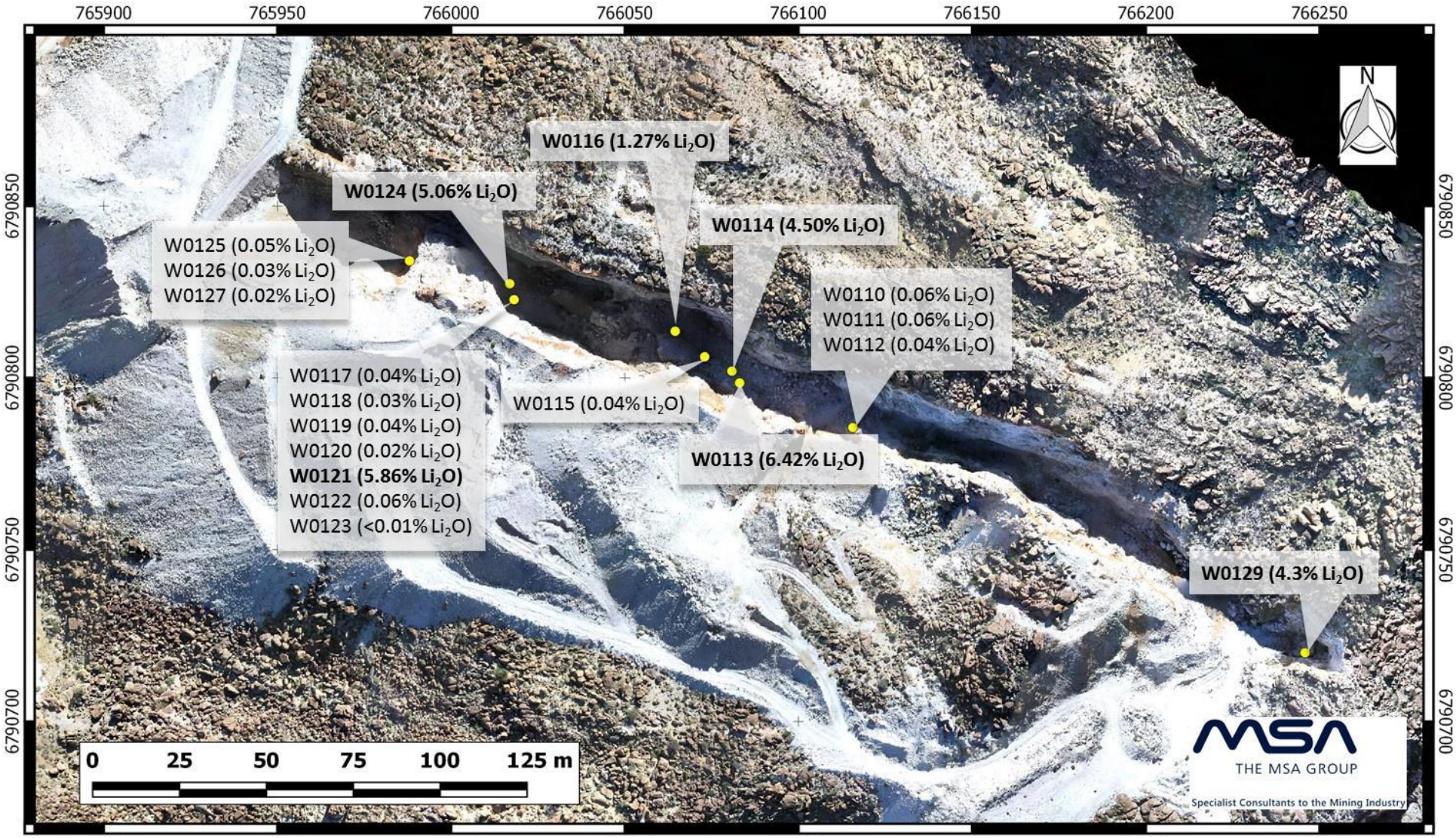

Figure 5 - Aerial photograph showing the sample locations and Li_2O grades reported

Table 4: Section 1 – Sampling Techniques and Data – Blesberg

Criteria	JORC Code Explanation	Commentary
Sampling Techniques	• Nature and quality of sampling (e.g. 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 mineralization that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30g 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 (e.g. submarine nodules) may warrant disclosure of detailed information.	• 20 rock chip/grab samples were collected from 9 different sampling locations Sampling was undertaken as part of the Company's due diligence of historic workings at the Blesberg Mine. Samples were taken from a range of pegmatite lithologies interpreted to comprise spodumene. One sample was collected from a historic waste dump. • Samples masses range from 0.55kg – 2.34kg (refer to Table 2). Sample locations were determined with a hand-held GPS, coordinates and geological descriptions were noted for each sample. • The sampling program was reconnaissance in nature, samples were taken at the discretion of the geologist based on visual inspection of rock units.
Drilling techniques	• Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. 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.). •	• No drilling was undertaken during this programme.

Criteria	JORC Code Explanation	Commentary
Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximize sample recovery and ensure 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/course material.	• No drilling was undertaken during this programme.
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.	• No drilling was undertaken as part of sampling this programme.
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 maximize 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.	• All sample were prepared at Scientific Services in Cape Town, South Africa. Samples were crushed to -2mm and riffle split into 2 samples. Half was retained and the other half milled to 95% passing 75 microns. A 100g sample was then split off and submitted to ALS laboratories in Johannesburg and assayed as per the methods in Table 3. • Samples are sufficient for the grain size of the material being analysed. • No other quality control procedures were considered necessary for this program.

Criteria	JORC Code Explanation	Commentary
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 including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	• Details of the laboratory procedures used for assaying the samples is detailed in Table 3. • No geophysical tools, spectrometers or handheld XRF instruments were used in the field in this sampling programme. • ALS Laboratories utilised standard internal quality control measures including the use of standards and duplicates. • No Company implemented quality control procedures were considered necessary for this style of sampling program.
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 and adjustment to assay data.	• Sample ID, location (east/north), nature of sample site and description were entered into a spreadsheet in the field. • Photographs were also taken of all sample locations
Location of data points	• Accuracy and quality of surveys used to locate drillholes (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.	• All coordinate and topographical control data was recorded using a hand-held GPS utilizing South African Grid LO17/WGS84.

Criteria	JORC Code Explanation	Commentary
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.	• Sample collection was based on exposures of spodumene bearing zones and sampled at the discretion of the MSA geologist.
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 orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	• No drilling was undertaken during this programme.
Sample security	• The measures taken to ensure sample security.	• Samples were held under the control of the MSA geologist until they were dispatched by reputable carrier to Scientific Services in Cape Town and then onto ALS Laboratories in Johannesburg.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• No audits or reviews undertaken for this sampling programme

Section 2 Reporting of exploration results - Blesberg

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.	• Programme undertaken on granted prospecting right (NC) 940 PR held by SALT. • Boundaries of Prospecting Right (NC) 940 PR are shown in Figure 4. The prospecting right covers an area of 887 hectares • The prospecting right lies on part of the farm Steinkopf No 22. • There are no 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 Prospecting Right was granted in 8 May 2013 for a period of 5 years. • There are no known impediments to operating in the area.

Criteria	JORC Code Explanation	Commentary
Exploration done by other parties	• Acknowledgement and appraisal of exploration by other parties.	• As the Blesberg Mine has in the past been held privately details of production and exploration work have generally not been available. • In 1968 the Geological Survey of South Africa prepared an unpublished report *The Geology of the Noumas Pegmatite, Namaqualand* by D.H De Jager. • In 1972 the Geological Survey of South Africa prepared and published the report *The Main Pegmatites in the area between Steinkopf, Vioolsdrif and Goodhouse, Namaqualand* by I.C Schutte which included a detail review of the Blesberg (Noumas) pegmatites. • In 2006 a Geological Society of South Africa paper by H. Minnaar and H.F.J. Theart titled *The exploitability of pegmatite deposits in the lower Orange River area (Vioolsdrif – Henkries – Steinkopf)* considered the economics of commercial mining of feldspar only.

Criteria	JORC Code Explanation	Commentary
Geology	• Deposit type, geological setting and style of mineralisation.	• The Noumas I pegmatite is a complex well to moderately zoned spodumene-bearing pegmatite of the LCT (lithium-caesium-tantalum) family. The pegmatite is hosted in the granodiorites of the Vioolsdrif Suite (dated at between 1750-1900 Ga in age) and occurs at the western most edge of the Northern Cape Pegmatite Belt in the Vioolsdrif-Steinkopf area (Figure 1). The pegmatites have been dated at between 950-1000 Ma in age.
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	• No drilling was undertaken during this programme

Criteria	JORC Code Explanation	Commentary
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. 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, 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.	• No data aggregation methods have been used in reporting the Sampling results. • Table 2 sets out the assay results for all 20 samples collected.
Relationships 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 (e.g. 'down hole length, true width not known').	• As the geochemical results thus far collected by MSA personnel are from surface, any potential depths of mineralisation or orientations can only be inferred from geological observations on the surface and hence are speculative in nature.
Diagrams	• Appropriate maps and section (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.	• See figures in the release.
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.	• Table 2 sets out the assay results for all 20 samples collected. Assay results for lithium range from <0.01% Li_2O to 6.42% Li_2O.

Criteria	JORC Code Explanation	Commentary
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.	• No other substantive exploration data from the sampling program, or other historical reports, has been excluded from this report.
Further work	• The nature and scale of planned further work (e.g. 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.	• The Company intends to commence initial exploration, including drilling, at the Blesberg Mine and elsewhere on (NC) 940 PR as detailed in this report.