ASX Announcement
19 December 2016

Confirmation of Extensive Zone of Lithium Mineralization at Muddy Mountain

Caeneus Minerals Ltd ("Caeneus" or "the Company") is pleased to provide the following exploration update relating to its 100% owned Muddy Mountain Lithium Clay Project ("Muddy Mountain" or "the Project") in Nevada, USA, following review of the analytical and geological results.

Highlights:

- Assays confirm extensive lithium mineralization across exposed (uplifted and/or eroded) stratigraphic sections, sampled along the approximately 7km extent of the Muddy Mountain Project.
- Elevated lithium results across the Project area exhibit the potential for a large, low grade deposit.
- Twenty-seven samples greater the 700 ppm lithium, with five samples greater than 1,000 ppm lithium (max 1,060 ppm Li or 5,639 ppm Lithium Carbonate Equivalent (LCE)) were identified at multiple locations within the Project.
- Sampled interval lengths averaged 1.8m, representing realistic grade intervals designed to avoid misleading higher grade spot sample results.
- Representative sections display semi-continuous to continuous interval composite grades greater than 800 ppm Li or 4,256 ppm LCE across widths reaching 13m for individual claystone, siltstone and other carbonaceous sediment beds.
- Potential exists for an increase in grade as mineralization dips below weathered surfaces.
- A large area remains un-sampled on the Project and highly mineralized areas remain open above and below sample sections leaving the potential for the delineation of a higher-grade mineralized zone within the Project area.

The Company is in receipt of the final analytical results for samples collected during the recently completed exploration program at Muddy Mountain. The nature and extent of the lithium mineralization is shown on the following sample map (**Figure 1**).

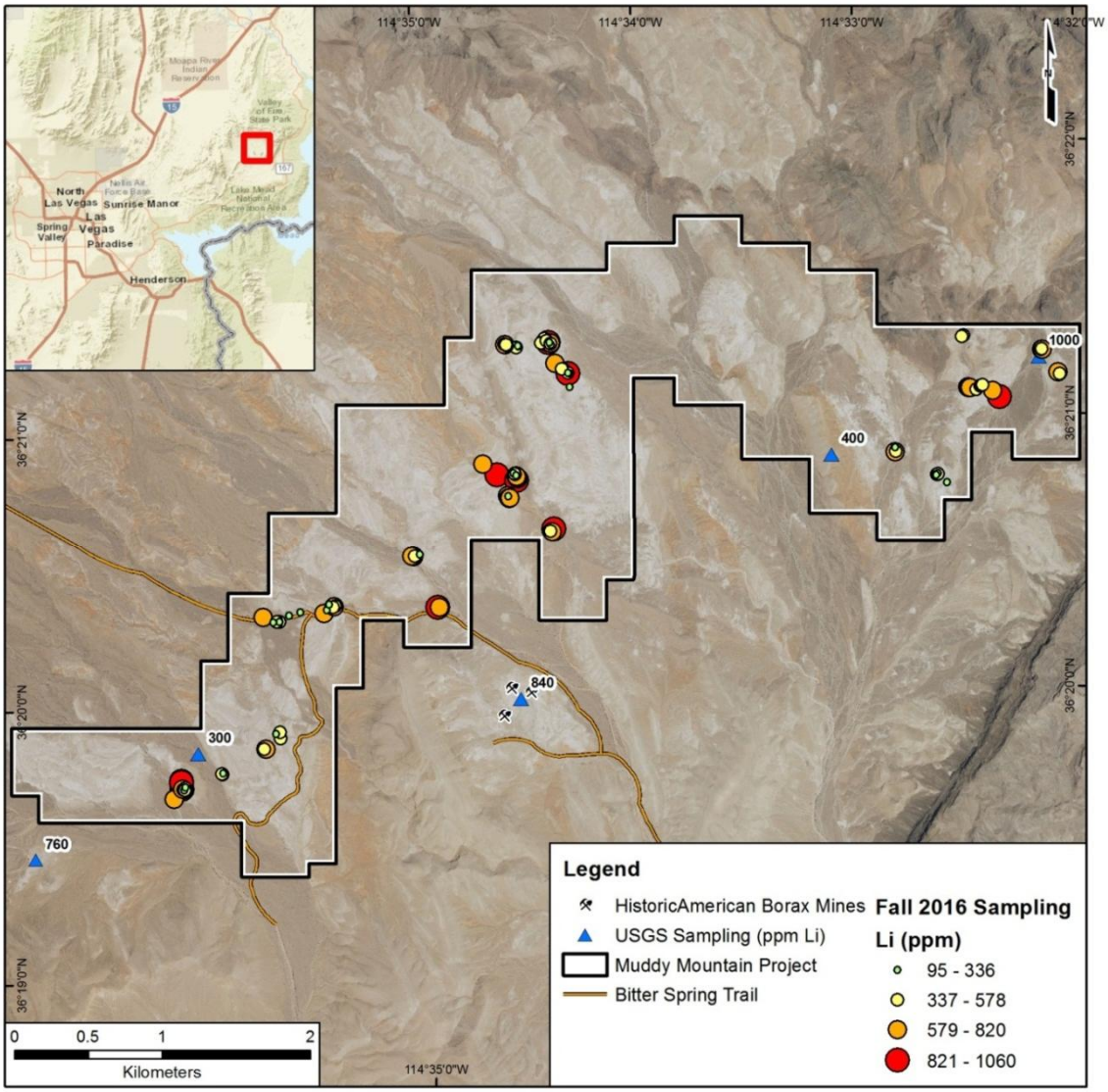

Figure 1: Muddy Mountain Nevada Sampling Map

Historic sampling of the Horse Spring Formation by the United States Geological Survey (USGS) in 1978, located about 35km from the Project, revealed thick accumulations of lithium-bearing claystones with a 40m thick section that averages 1,000 ppm Li, and as much as 5,000 ppm Li (Brenner-Tourtelot and Glanzman, 1978). The USGS also collected widely-spaced grab samples on the Project with up to 1,000 ppm Li recovered (Bohannon et. al., 1982). The Muddy Mountain Project encompasses almost 2,914 acres of the exposed Horse Spring Formation.

The 2016 field exploration confirmed lithium mineralization to occur within sedimentary units of the Horse Spring Formation, which was measured and sampled at approximately 19 sections along a 7km exposure. The most prominent section averaged 830 ppm Li (4,415 ppm LCE) across 12.4m approximate true thickness. A total of 118 samples were collected and contained between 95 and 1060 ppm Li (505 ppm and 5,639 ppm LCE) averaging 514 ppm Li (2,734 ppm LCE).

Geological sections were mapped and sampled across semi-continuous to continuous stratigraphic units. These sections represent the depositional staking of sediments within the Horse Spring Formation. Samples were collected down section (or across bedding) at angles close to true interval thickness, and an average sample length of 1.8m. The complete analytical results are presented in Appendix 1, which accompanies this announcement.

Table 1: Semi-continuous chip Sample Lithium Values by Section and Their Notable Sectional Composites

Measured Section ID	Min Li (ppm) Value	Max Li (ppm) Value	Notable Section Composites* (weighted average Grade and Interval)
Section 1 (Sec 1 - 3)	95	840	540 ppm Li over 4.5 m
Section 4	139	**1020**	563 ppm Li over 9.7 m
Section 5	162	480	480 ppm Li over 2.5 m
Section 6	383	780	511 ppm Li over 8.2 m
Section 7	421	**1050**	**751 ppm Li over 2.6 m** 501 ppm Li over 8.3 m **690 ppm Li over 7.0 m**
Section 8	361	570	420 ppm Li over 3.5 m
Section 9	435	770	640 ppm Li over 3.6 m 608 ppm Li over 6.9 m
Section 10	116	430	342 ppm Li over 11.1 m
Section 11	182	660	352 ppm Li over 6.8 m
Section 12	114	**1060**	**830 ppm Li over 12.4 m**
Section 13	330	550	438 ppm Li over 4.5 m
Section 14	204	680	452 ppm Li over 12.2 m
Section 15	140	**1030**	**1030 ppm Li over 2.0 m** **730 ppm Li over 11.0 m** **728 ppm Li over 7.8 m**
Section 16	436	960	**665 ppm Li** over **7.8 m**
Section 17	329	790	602 ppm Li over 8.7 m
Section 18	143	700	521 ppm Li over 8.0 m
Section 19	700	**1020**	**883 ppm Li** over **3.5 m**

**Section composites represent continuous or near continuous sample intervals and composite analytical results have been normalized by individual sample interval relative to total composite interval.*

Data supports that the lithium is contained in exposed (uplifted and eroded) stratigraphic sediments and exists as a potential large, low grade deposit. The potential remains that higher lithium values may be present in the subsurface as this strata has not been impacted by weathering or lithium re-mobilization.

The sample results definitively confirm the existence of lithium mineralization across the entire Muddy Mountain Project Area.

Figure 2: Uplifted Lithium Claystone Stratigraphy at Muddy Mountain, Nevada

The Company is encouraged by the results which it considers as indicative for the potential to delineate a large surface footprint of lithium mineralization. Detailed follow-up review of the area is being planned to determine the potential for a higher-grade zone which would become a focus area for further development work.

For and on behalf of the Board

Steve Elliott
Managing Director

Note: *Lithium content expressed is converted into Lithium Carbonate Equivalent (LCE) by multiplying by 5.32. LCE does not include any potassium, sodium, boron or strontium content.*

All samples were submitted to ALS Chemex Labs in Reno, Nevada, for analysis using an ME-ICP61, 48 element four acid digestion ICP-MS method and B-ICP41 for Boron. A four percent external check analyses was completed at Activation Laboratories, Ancaster, Ontario, using a Sodium Peroxide Fusion (ICP & ICPMS) method.

Competent Person Statement
The information in this announcement that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Steven Elliott who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Elliott is a director of the Company. Mr Elliott has sufficient experience which is relevant to the style 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 Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves. Mr Elliott consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

Disclaimer
Certain statements contained in this announcement, including information as to the future financial or operating performance of Caeneus and its projects are forward-looking statements that:
■ *may include, among other things, statements regarding targets, estimates and assumptions in respect of mineral reserves and mineral resources and anticipated grades and recovery rates, production and prices, recovery costs and results, capital expenditures, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions;*
■ *are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Caeneus, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies; and,*
■ *involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements.*

Appendix 1: Muddy Mountain Sampling Results

Sample ID	Easting NAD83 (m)	Northing NAD83 (m)	SAMPLE LENGTH (m)	Sample Type	General Rock Type	Li (ppm) ALS ME-MS61
MM-0001	717872	4025771	1.50	Semi-continuous chip	mudstone	207
MM-0002	717861	4025864	1.55	Semi-continuous chip	mudstone	409
MM-0003	717861	4025864	0.30	Semi-continuous chip	claystone	95.1
MM-0004	717863	4025863	1.72	Semi-continuous chip	claystone	840
MM-0005	717874	4025861	2.30	Semi-continuous chip	mudstone	113.5
MM-0006	717831	4025892	1.30	Semi-continuous chip	sandstone	550
MM-0007	717829	4025894	1.20	Semi-continuous chip	sandstone	490
MM-0008	717820	4025893	0.50	Grab	mudstone	399
MM-0009	717773	4025931	1.50	Semi-continuous chip	sandstone	620
MM-0010	717744	4026062	1.50	Semi-continuous chip	claystone	242
MM-0011	717747	4026056	1.60	Semi-continuous chip	claystone	234
MM-0012	717744	4026063	1.80	Semi-continuous chip	claystone	343
MM-0013	717743	4026068	1.20	Semi-continuous chip	mudstone	710
MM-0014	717736	4026071	0.80	Semi-continuous chip	mudstone	139
MM-0015	717728	4026071	0.40	Targeted Interval	limestone	1020

MM-0016	717725	4026070	1.70	Semi-continuous chip	limestone	760
MM-0017	717718	4026084	2.00	Semi-continuous chip	limestone	460
MM-0018	717702	4026098	1.70	Semi-continuous chip	limestone	470
MM-0019	717700	4026096	1.90	Semi-continuous chip	limestone	570
MM-0020	717679	4026069	1.40	Semi-continuous chip	claystone	470
MM-0021	717431	4026059	2.40	Semi-continuous chip	sandstone	470
MM-0022	717435	4026056	2.00	Semi-continuous chip	mudstone	780
MM-0023	717443	4026055	2.00	Semi-continuous chip	mudstone	383
MM-0024	717450	4026047	1.80	Semi-continuous chip	sandstone	412
MM-0025	717511	4026039	2.50	Semi-continuous chip	mudstone	480
MM-0026	717523	4026050	0.30	Grab	mudstone	162
MM-0027	717525	4026043	0.80	Semi-continuous chip	mudstone	166
MM-0028	720778	4025704	0.80	Semi-continuous chip	claystone	1050
MM-0029	720734	4025750	1.80	Semi-continuous chip	limestone	620
MM-0030	720663	4025784	1.60	Semi-continuous chip	limestone	421
MM-0031	720662	4025784	0.50	Semi-continuous chip	limestone	470
MM-0032	720652	4025781	1.80	Semi-continuous chip	limestone	460
MM-0033	720650	4025777	2.00	Semi-continuous chip	claystone	540

MM-0034	720624	4025755	2.40	Semi-continuous chip	claystone	560
MM-0035	720567	4025771	0.30	Targeted Interval	claystone	660
MM-0036	720582	4025768	1.50	Semi-continuous chip	limestone	580
MM-0037	720576	4025767	2.00	Semi-continuous chip	limestone	740
MM-0038	720570	4025768	1.50	Semi-continuous chip	claystone	630
MM-0039	720568	4025770	1.50	Semi-continuous chip	claystone	800
MM-0040	720525	4026114	2.50	Semi-continuous chip	limestone	361
MM-0041	720535	4026122	1.00	Semi-continuous chip		570
MM-0042	721189	4025862	1.80	Semi-continuous chip	claystone	510
MM-0043	721176	4025875	1.80	Semi-continuous chip	claystone	770
MM-0044	721067	4026025	2.00	Semi-continuous chip	limestone	670
MM-0045	721066	4026029	1.20	Targeted Interval	limestone	435
MM-0046	721069	4026025	1.00	Semi-continuous chip	claystone	660
MM-0047	721063	4026025	1.50	Semi-continuous chip	limestone	720
MM-0048	721063	4026025	1.20	Semi-continuous chip	claystone	500
MM-0049	720364	4025188	2.00	Semi-continuous chip	claystone	297
MM-0050	720363	4025185	1.80	Semi-continuous chip	claystone	360
MM-0051	720360	4025181	1.80	Semi-continuous chip	claystone	403

MM-0052	720357	4025181	1.50	Semi-continuous chip	claystone	395
MM-0053	720353	4025178	2.00	Semi-continuous chip	claystone	285
MM-0054	720349	4025180	2.00	Semi-continuous chip	claystone	335
MM-0055	720425	4025127	1.00	Targeted Interval	mudstone	116.5
MM-0056	720077	4025335	1.50	Semi-continuous chip	claystone	400
MM-0057	720076	4025331	1.50	Semi-continuous chip	claystone	660
MM-0058	720073	4025362	2.00	Semi-continuous chip	claystone	182
MM-0059	720072	4025366	1.80	Semi-continuous chip	claystone	246
MM-0060	715275	4023056	4.00	Semi-continuous chip	limestone	114
MM-0061	715275	4023049	2.00	Semi-continuous chip	limestone	376
MM-0062	715273	4023041	2.50	Semi-continuous chip	claystone	403
MM-0063	715272	4023037	3.00	Semi-continuous chip	claystone	351
MM-0064	715267	4023034	1.50	Semi-continuous chip	mudstone	308
MM-0065	715249	4023094	1.50	Semi-continuous chip	claystone	1060
MM-0066	715248	4023088	2.00	Semi-continuous chip	claystone	850
MM-0067	715260	4023037	2.50	Semi-continuous chip	claystone	510
MM-0068	715258	4023039	1.80	Semi-continuous chip	mudstone	750
MM-0069	715256	4023041	2.50	Semi-continuous chip	mudstone	600

MM-0070	715251	4023041	0.50	Targeted Interval	mudstone	870
MM-0071	715198	4022974	1.60	Semi-continuous chip	sandstone	700
MM-0072	715529	4023148	1.80	Semi-continuous chip	limestone	330
MM-0073	715524	4023143	1.50	Semi-continuous chip	claystone	550
MM-0074	715521	4023145	1.20	Semi-continuous chip	claystone	460
MM-0075	715806	4023314	2.20	Semi-continuous chip	sandstone	470
MM-0076	715817	4023314	1.90	Semi-continuous chip	mudstone	680
MM-0077	715888	4023417	3.00	Semi-continuous chip	limestone	204
MM-0078	715916	4023429	3.00	Semi-continuous chip	claystone	460
MM-0079	715919	4023384	2.10	Semi-continuous chip	mudstone	570
MM-0080	717286	4025249	2.00	Grab	claystone	640
MM-0081	717381	4025176	2.00	Semi-continuous chip	claystone	1030
MM-0082	717491	4025188	2.00	Semi-continuous chip	sandstone	221
MM-0083	717500	4025185	1.80	Semi-continuous chip	claystone	423
MM-0084	717502	4025179	2.00	Semi-continuous chip	claystone	447
MM-0085	717509	4025172	1.20	Semi-continuous chip	siltstone	140
MM-0086	717510	4025169	2.00	Semi-continuous chip	claystone	740
MM-0087	717512	4025165	2.00	Semi-continuous chip	claystone	580

MM-0088	717513	4025157	2.00	Semi-continuous chip	claystone	670
MM-0089	717520	4025151	2.50	Semi-continuous chip	sandstone	720
MM-0090	717513	4025139	2.50	Semi-continuous chip	claystone	900
MM-0091	717459	4025030	1.50	Semi-continuous chip	limestone	309
MM-0092	717455	4025034	2.00	Semi-continuous chip	claystone	770
MM-0093	717461	4025020	2.00	Semi-continuous chip	claystone	710
MM-0094	717463	4025018	2.00	Semi-continuous chip	claystone	800
MM-0095	717467	4025020	1.80	Semi-continuous chip	sandstone	620
MM-0096	717753	4024792	3.00	Semi-continuous chip	claystone	630
MM-0097	717766	4024809	2.30	Semi-continuous chip	claystone	960
MM-0098	717743	4024793	2.50	Semi-continuous chip	claystone	436
MM-0099	716860	4024632	1.60	Semi-continuous chip	limestone	329
MM-0100	716824	4024621	1.80	Semi-continuous chip	mudstone	570
MM-0101	716818	4024618	1.80	Semi-continuous chip	mudstone	790
MM-0102	716815	4024620	2.00	Semi-continuous chip	mudstone	670
MM-0103	716805	4024621	1.50	Semi-continuous chip	mudstone breccia	620
MM-0104	715798	4024203	2.50	Semi-continuous chip	claystone	640

MM-0105	715869	4024170	2.50	Semi-continuous chip	claystone	143
MM-0106	715889	4024174	2.00	Semi-continuous chip	sandstone	393
MM-0107	715910	4024175	2.00	Semi-continuous chip	sandstone	431
MM-0108	715911	4024175	2.00	Semi-continuous chip	claystone	277
MM-0109	715976	4024216	1.50	Semi-continuous chip	claystone	264
MM-0110	716053	4024239	4.00	Semi-continuous chip	claystone	202
MM-0111	716212	4024232	2.00	Semi-continuous chip	sandstone	700
MM-0112	716231	4024255	2.00	Semi-continuous chip	limestone	309
MM-0113	716245	4024291	2.00	Semi-continuous chip	limestone	245
MM-0114	716271	4024275	3.00	Semi-continuous chip	claystone	431
MM-0115	716279	4024277	3.00	Semi-continuous chip	siltstone	580
MM-0116	716286	4024280	2.00	Semi-continuous chip	claystone	570
MM-0117	716981	4024274	2.00	Semi-continuous chip	claystone	1020
MM-0118	716993	4024273	1.50	Semi-continuous chip	claystone	700

Appendix 2: Muddy Mountain Project, Nevada USA – JORC Code 2012

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling technique	• *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 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 (e.g. 'reverse circulation drilling was used to obtain 1m samples from which 3kg 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.*	• **Samples were collected as semi-continuous chip samples across stratigraphic unit.** • **Field samples were originally analysed using a SciAps LIBZ Z-500 analyser.** • **Semi-continuous chip samples (averaging 1.8 m interval lengths) were sent for laboratory analysis at ALS Chemex Labs in Reno, Nevada, for analysis using an ME-ICP61, 48 element four acid digestion ICP-MS method and B-ICP41 for Boron. A four percent external check analyses was completed at Activation Laboratories, Ancaster, Ontario, using a Sodium Peroxide Fusion (ICP & ICPMS) method.**
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 has been completed on the Project**
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed* • *Measurements taken to maximise 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/coarse material.*	**No Drilling has been completed on the Project**

Criteria	JORC Code explanation	Commentary
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*	• **All Chip sample stratigraphic intervals were geologically logged in their entirety.** • **No Geotechnical, mineralogical or metallurgical work has been complete.** • **Sample Interval logging is both qualitative and quantitative** • **Qualitative descriptions of colour, grain size, texture and lithology were recorded for each sample.**
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffles, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, 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.*	• **Entire chip sample was sent to laboratory for analysis.** • **No blanks or standards were used for the field LIBS Z-500 analysis.** • **No external blanks or standards were submitted with the samples for laboratory analysis.** • **Mineralisation could not be visually identified, so the LIBZ Z-500 was used to identify rock units that contained mineralization.** • **An external laboratory check was completed for four percent of the samples to measure repeatability and confirm representivity. These were selected from the representative rock types.**
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.*	• **Semi-continuous chips samples were assayed using ALS Laboratories ME-ICP61, 48 element four acid digestion ICP-MS method and B-ICP41 for Boron.** • **Results were confirmed by a four percent external check analyses completed at Activation Laboratories, Ancaster, Ontario, using a Sodium Peroxide Fusion (ICP & ICPMS)** • **A full digestion was completed by each laboratory.** • **No standards or blanks were used for this preliminary program.** • **Field portable LIBZ Z-500 analysis does not provide accurate quantifiable results and were only used for identification of potentially mineralized zones. Laboratory analysis was completed to meet the industry standard acceptable method, using an ISO certified Laboratory.** • **Analysis conducted specifically for Li as part of the 48 element laboratory analysis. Additional analysis was completed for B**.

Criteria	JORC Code explanation	Commentary
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 (physically and electronic) protocols.* • *Discuss any adjustment to assay data.*	• **Not applicable at this early stage of exploration** • **Geological sample logs were entered and stored electronically. All results were double checked by a qualified geologist.** • **Original assay results have not been modified. Larger sample composite interval grades were calculated, using sample length normalized 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 Resources estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• **Sample locations were recorded with handheld GPS (Garman GPS 62 and 64 series, using both GPS and Glonass satellites) system with expected accuracy of +/- 5m horizontal.** • **The grid system for Muddy Mountain Project is UTM NAD83 Zone 11** • **Topographic control is based on the recorded GPS Elevation.**
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 Reserve and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• **Samples were collected across exposed stratigraphic sections to identify preliminary vertical grade continuity.** • **This analysis is not suitable for establishing continuity of grade for Mineral Reserve and Ore Reserve estimation.** • **Sample results have been presented independently, but also as stratigraphic section composites. These composites were calculated over continuous sample intervals and normalized to the individual sample length.**
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.*	• **Surface samples were collected across stratigraphic sections at angles perpendicular to unit bedding.** • **No drilling has been completed on the Project.**
Sample security	• *The measures taken to ensure sample security.*	• **Samples were collected, sealed in sample bags, combined into durable rice bags and maintained in a locked unit until they were dropped off at laboratory by field crew.**
Audits or reviews	• *The results of and audits or reviews of sampling techniques and data.*	• **No independent audits or reviews have been undertaken.**

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenements 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 interest, 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.*	• **A group of mineral claims held wholly (100%) by Caeneus Minerals Ltd.** • **The tenure is secure and in good standing at the time of writing**
Exploration done by other parties	• *Acknowledgement and appraisal of exploration by other parties.*	• **The United States Geological Survey (USGS) has previously sampled the tenure area and returned results of up to 1,000 ppm Lithium.**
Geology	• *Deposit type, geological settings and style of mineralisation.*	• **Volcanic sediment and carbonaceous sedimentary hosted Lithium mineralization.**

Drill hole information	• *A summary of all information material for 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)and 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.
		No Drilling has been completed on the Project.

Data aggregation methods	• *In reporting Exploration results, weighing 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 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.*	• **Strat section chip sample composites were calculated using weighted average and calculated for simular interval grade ranges. Only notable composites were reported for each mapped and sampled section.** • **Lithium content expressed is converted into Lithium Carbonate Equivalent (LCE) by multiplying by 5.32. LCE does not include any potassium, sodium, boron or strontium content.**

Criteria	JORC Code explanation	Commentary
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 (e.g. 'down hole length, true width not known')*	• **The detailed geometry of mineralized horizon is unknown** • **No Drilling has been completed on the Project.**
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts would be included for any significant discovery being reported. These should include, but not be limited too plan view of drill hole collar locations and appropriate sectional views.*	**Appropriate plan maps of sample locations have been included in the body of the report**
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.*	**Not applicable at this early stage of exploration**
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 containing substances.*	**Not applicable**
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, providing this information is not commercially sensitive.*	**Not applicable**