

28 February 2017

ASX ANNOUNCEMENT

DRILLING CONFIRMS SPODUMENE LITHIUM DISCOVERY AT ATOMIC THREE

HIGHLIGHTS

- Results of the first two drillholes at Atomic Three confirm a high-grade lithium discovery
- Results included 2.48% Li₂O over one metre in MERC0002
- POW amended to allow the drilling of an extra six holes at Atomic Three
- Drilling also completed at Inco Boundary, Munda North, Kingmaker, and is in progress at Munda West



Figure 1. Photo of spodumene bearing pegmatite taken from the surface at Atomic Three, directly above the pegmatite intercept in MERC0002. The sample is approximately 8cm long

Estrella Resources Limited (ASX: ESR) (Estrella or the Company) is pleased to inform shareholders that its first drill holes targeting lithium have been successful in locating a high-grade lithium bearing pegmatite. The hole was located at the Atomic Three prospect where the company previously obtained a high-grade surface sample of 2.2% Li₂O*.

* Refer to announcement "High Grade Lithium Discovered at Surface Mt Edwards Lithium Project", 21 November 2016

ATOMIC THREE DRILLING

The second drillhole at Atomic Three has returned encouraging assay results, confirming the presence of a lithium bearing pegmatite body, which is named Alpha Pegmatite. MERC0002 intersected 6m at 0.58% Li₂O, including 1m at 2.48% Li₂O, with spodumene observed in the drill cuttings. MERC0001 returned weakly anomalous values on the hangingwall contact of the pegmatite. The pegmatite was highly weathered in MERC0001 and this may represent a leached zone.

Drilling has defined a lozenge shaped body of pegmatite on the first drill section, with a surface expression of approximately 5m thick, widening to 15m thick at 20m below surface before tapering off again, but more drilling is required to confirm this interpretation. Alpha pegmatite is untested beyond 65m vertical from surface and appears to be open in all directions.



Alpha Pegmatite is approximately 280m long, strikes at 350 degrees' azimuth, and is between 2 and 10m wide in surface expression. The Company has received approval for an extra six holes in the area. There will be three new cross sections drilled 80m apart with two holes on each, testing the pegmatite over a strike length of approximately 240m and to a depth of approximately 75m. This drilling will aim to determine if there is a thicker and/or higher grade zone of the pegmatite developing at depth somewhere along its strike length.

Company C.E.O. Mr Chris Daws stated "The Company is very excited that we have been able to locate spodumene bearing pegmatite at the MELP of considerable grade in our maiden drilling program. We are now determined to locate a larger body of this high-grade lithium which could hopefully lead to our first lithium resource."

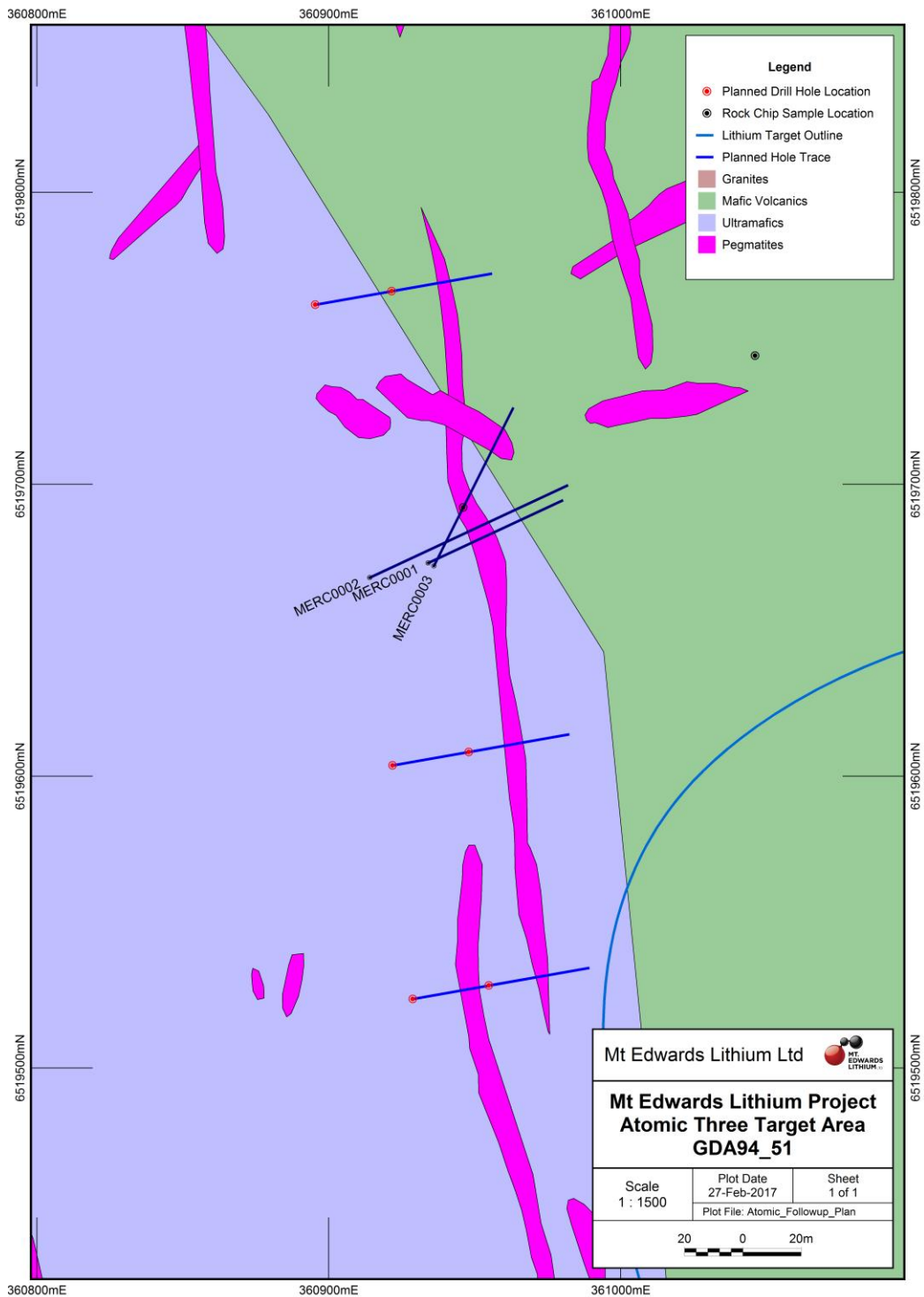


Figure 2. Plan view showing the locations of the holes drilled so far and the loactions of new planned holes.

OTHER WORK AT ATOMIC THREE

Follow-up work will include systematic rock chip sampling over the entire Atomic Three target area to test all the remaining outcropping pegmatites for lithium and associated elements. Detailed geological mapping will be undertaken at the same time as the rock chip sampling to ensure that no outcropping pegmatite bodies are overlooked. This will determine which pegmatites in the Atomic Three swarm are the most prospective and therefore most likely to host economic lithium mineralisation.

Soil sampling will be conducted along strike to the north and south of Atomic Three where there are less outcropping pegmatites. This will determine if there are blind pegmatites in these areas, which do not outcrop.

The Company has also identified several pegmatite intersections over 10m wide in historic drilling, four of which are located along strike to the north and south of Alpha Pegmatite. These include diamond holes WD4133, which intersected 78.8m of pegmatite from 56.7m downhole and WD5301, which intersected 37.7m of pegmatite from 132.6m downhole. Both holes were drilled at the 132N nickel deposit targeting nickel, approximately 450m along strike to the south of Alpha Pegmatite. The core for these holes is yet to be located, but the Company is applying resources to locate the core for sampling. If the historical core cannot be located the Company intends to drill the immediate area of the larger pegmatite intersections as they represent compelling targets considering the high-grade lithium intersected by the recent drilling.

Numerous pegmatite intersections less than 10m wide also occur in the area. Most of these are in historic percussion holes, but the Company will work through them in the coming months to see if any can be recovered and sampled.

Table 1. Location of pegmatite drillhole intersections over 10m thick in the Atomic Three area.

Hole_ID	Hole_Type	mFrom	mTo	MGA_East	MGA_North	DTM_RL	Width
WD4133	DDH	56.7	135.5	361192	6519096	291	78.8
WD5301	DDH	132.6	170.3	361165	6519055	242	37.7
WID1364	RC	4.0	16.0	360633	6518985	350	12.0
WID1527	DDH	333.6	348.2	361088	6517994	59	14.6
WID1628	RC	15.0	25.5	360902	6520213	336	10.5
WID1629	RC	18.0	33.0	360894	6520213	332	15.0

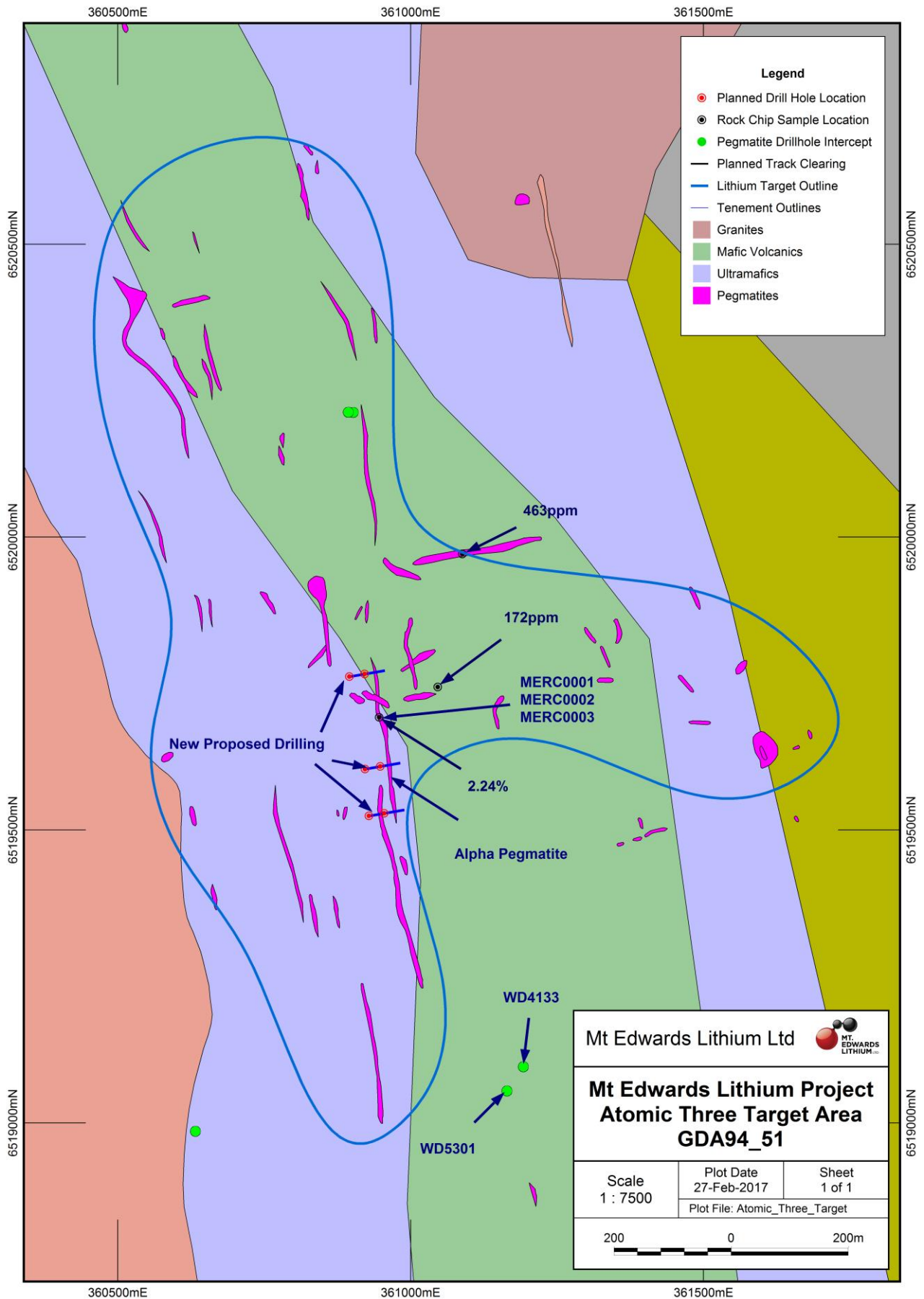


Figure 3. Map of the Atomic Three prospect showing the 2.24% Li₂O result that was the target of the first drillholes and the dense cluster of unsampled pegmatites. Note the location of the two aforementioned drillhole pegmatite intercepts.

OTHER DRILL TARGETS

First pass drill programs have now been completed at Inco Boundary, Munda North and Kingmaker. The rig is currently operating at Munda West. Most of the holes have intersected pegmatites. The Company looks forward to updating shareholders with assay results as they come to hand.

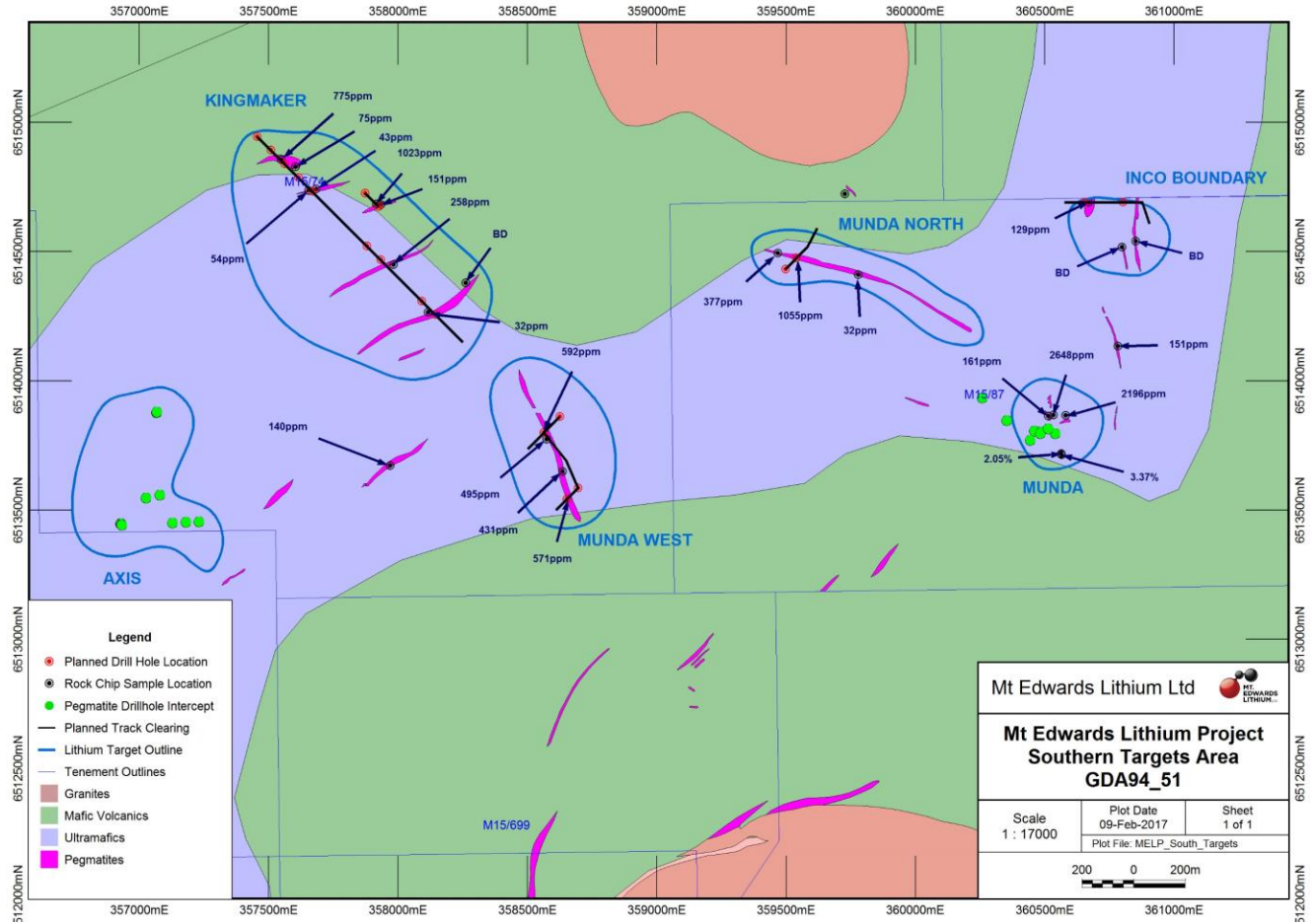


Figure 4. Map of the southern targets area showing planned drillholes and tracks. Call out labels show Li₂O results. BD means Below Detection.

ABOUT THE MELP

The MELP consists of 16 tenements covering over 127km² on the highly prospective Widgiemooltha Dome. It is located centrally within what is emerging as a highly endowed and globally significant lithium province.

The MELP location in relation to the other significant LCT pegmatite projects in the province is as follows:

- 2km east of the recent Goldfields Lithium Alliance (GLIA) Widgiemooltha project acquisition
- 2km south of Maximus Resources' recent "high grade lithium discovery" at Spargoville
- 40km south of the Mt Marion Lithium project
- 40km SSE of the Londonderry Pegmatites and Lithium Australia's Lithium Hill project
- 60km west of the Bald Hill Sn-Ta-Li project and Tawana Resources' Cowan project
- 30km north of Pioneer Resources Limited Pioneer Dome Lithium project

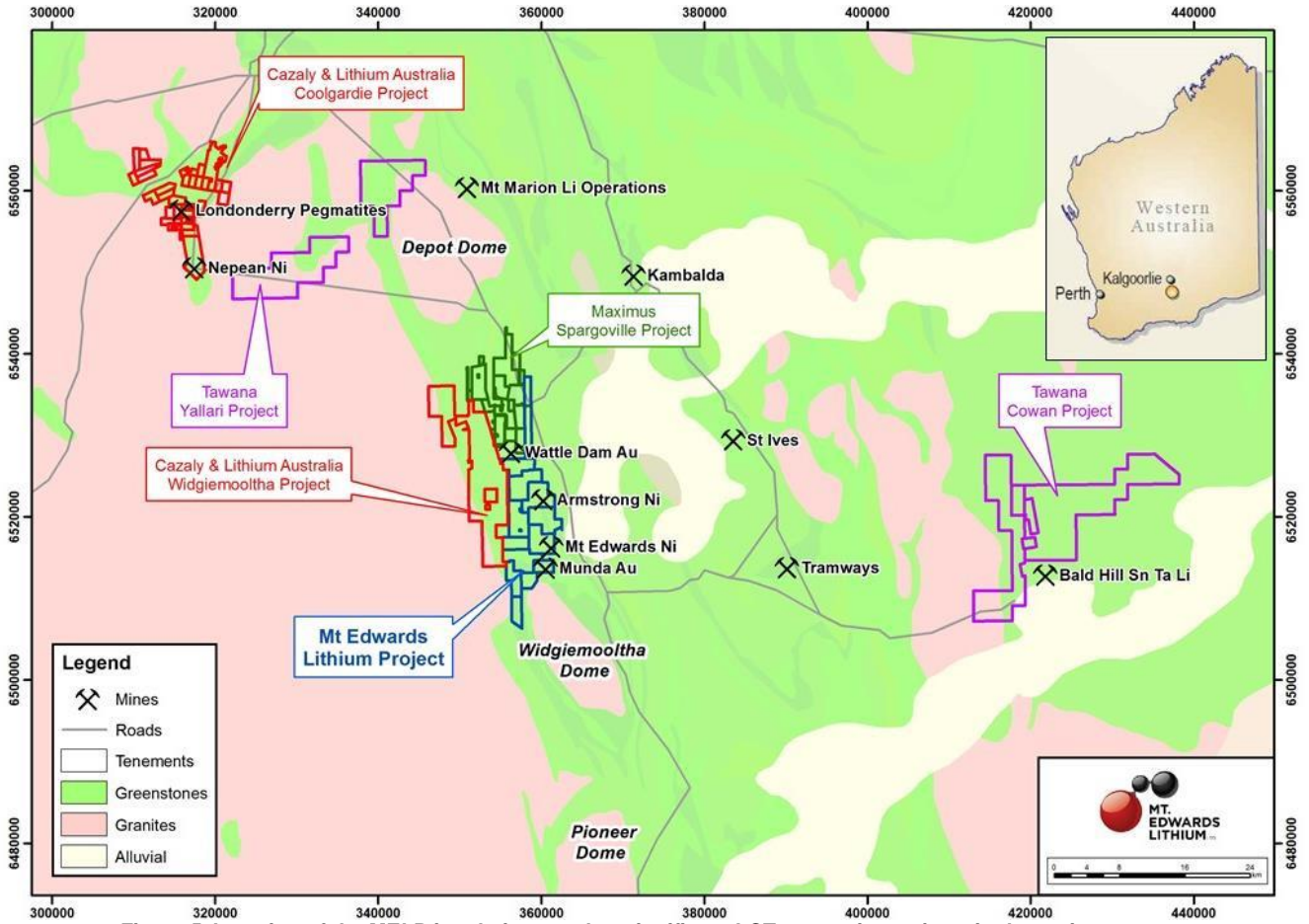


Figure 5. Location of the MELP in relation to other significant LCT pegmatite projects in the region.

Table 2. Tenement Schedule

Schedule of Mining and Exploration Tenements						
Country	State/Region	Project	Tenement ID	Area Km2	Grant Date	Interest %
Australia	WA	Mt Edwards Lithium Project	M15/698	4.2	22/12/1994	75
Australia	WA	Mt Edwards Lithium Project	M15/75	5.7	10/11/1984	75
Australia	WA	Mt Edwards Lithium Project	M15/699	3.4	23/12/1994	75
Australia	WA	Mt Edwards Lithium Project	M15/87	3.6	26/07/1984	75
Australia	WA	Mt Edwards Lithium Project	M15/74	9.3	10/11/1984	75
Australia	WA	Mt Edwards Lithium Project	M15/101	9.6	23/07/1984	75
Australia	WA	Mt Edwards Lithium Project	M15/99	9.8	23/07/1984	75
Australia	WA	Mt Edwards Lithium Project	M15/653	10	28/01/1993	75
Australia	WA	Mt Edwards Lithium Project	M15/97	6.8	23/07/1984	75
Australia	WA	Mt Edwards Lithium Project	M15/96	8.4	23/07/1984	75
Australia	WA	Mt Edwards Lithium Project	M15/102	9.3	4/01/1985	75
Australia	WA	Mt Edwards Lithium Project	M15/100	9.6	23/07/1984	75
Australia	WA	Mt Edwards Lithium Project	M15/1271	4.8	2/07/2007	75
Australia	WA	Mt Edwards Lithium Project	E15/1505	2	5/10/2016	75
Australia	WA	Mt Edwards Lithium Project	E15/1507	15	Application	75
Australia	WA	Mt Edwards Lithium Project	E15/1562	16	Application	75

Table 3. Drill results summary

Hole ID	Length	Collar Location GDA94			Dip	Azimuth	From m	To m	Li2O Grade %	Cs Grade ppm	Ta Grade ppm	Width m	Intersection Description
		East	North	RL									
MERC0001	102	360934	6519673	368	-60	65							NSI
MERC0002	150	360914	6519668	367	-60	65	72 74	77 75	0.65 2.48	189.00 410.00	54.00 110.00	5 1	
MERC0003	114	360936	6519672	369	-60	20							Results Awaited
MERC0004	72	360805	6514692	364	-60	90							Results Awaited
MERC0005	78	360656	6514692	370	-60	90							Results Awaited
MERC0006	78	359538	6514471	374	-60	75							Results Awaited
MERC0007	174	358083	6514306	364	-60	135							Results Awaited
MERC0008	96	358146	6514253	362	-60	135							Results Awaited
MERC0009	150	357934	6514470	358	-60	135							Results Awaited
MERC0010	126	357872	6514526	356	-60	135							Results Awaited
MERC0011	198	357661	6514746	349	-60	135							Results Awaited
MERC0012	150	357609	6514769	350	-60	135							Results Awaited
MERC0013	130	357559	6514839	350	-60	135							Results Awaited
MERC0014	120	357500	6514888	350	-60	135							Results Awaited
MERC0015	140	357451	6514936	350	-60	135							Results Awaited
MERC0016	100	357923	6514685	350	-60	135							Results Awaited
MERC0017	140	357863	6514723	350	-60	135							Results Awaited
MERC0018	156	357521	6514677	350	-60	135							Results Awaited
MERC0019	114	358697	6513582	350	-60	225							Results Awaited
MERC0020	78	358646	6513552	350	-60	225							Results Awaited

Competent Person Statement

The information in this announcement relating to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Luke Marshall, who is a consultant to Apollo Phoenix Resources and Mt Edwards Lithium, and a member of The Australasian Institute of Geoscientists. Mr Marshall has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves". Mr Marshall consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

FURTHER INFORMATION CONTACT

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APPENDIX 3 JORC TABLE 1 - JORC CODE, 2012 EDITION – TABLE 1 MELP

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> MELP has been drilled by percussion, diamond drilling and RC drilling. Accurate drilling data exists for 8062 drill holes for 554,350 metres in the area. This does not include blast holes but does include grade control holes from Ni and Au mining. The holes have been drilled on irregular spacing, as tight as 15m by 20m in areas of Ni and/or Au mineralisation, and broadening to kilometre plus spacing in unmineralised areas. Diamond holes are not reported in this announcement. For 1m composites or splits, RC samples are collected by a cyclone and split by a cone splitter at the rig. For 4m RC composites samples are collected using a sample spear.
	<ul style="list-style-type: none"> Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. 	<ul style="list-style-type: none"> Standards, blanks, and duplicates are inserted into the sampling stream on regular intervals to monitor laboratory precision. RC sampling representivity is ensured by the collection of a 1m composite by cone splitter.
	<ul style="list-style-type: none"> Aspects of the determination of mineralisation that are material to the Public Report. 	<ul style="list-style-type: none"> Sample lengths for RC are either 1m or 4m, depending on the presence and strength. of mineralisation. Anomalous 4m composites will be re sampled by taking the 1m split samples. Mineralised intervals are determined by visual inspection and logging prior to any sampling. Laboratory assays are then compared to the visual estimates and logging to determine if any

adjustments are required.

- 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
- Mineralisation is identified as coarse grained pegmatite hosted in a mafic-ultramafic package.
- Representative samples from RC drilling were collected and sent to SGS Oretest laboratory in Kalgoorlie. Samples were sent to Perth, crushed and pulverised in entirety, and a 50g pulp taken for analysis.
- Analysis was performed by 4 acid digest and a combination of ICP-MS and ICP-OES multi element analysis techniques.
- Minor Rb and Cs occur in the mineralisation.

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.).
- The data used is comprised of RC drilling samples (64).
- RC drilling was 5 3/4-inch diameter.

Drill sample recovery

- Method of recording and assessing core and chip sample recoveries and results assessed.
- Measures 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
- Sample recoveries and weights have not been recorded.
- No relationship could be established between sample recovery and reported grade.

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.
- Detailed drill hole logs are available for the drilling.
- Separate sample logging sheets were kept including samples numbers for duplicates, standards and blanks taken for QA/QC purposes.
- The logging is of a detailed nature, and of sufficient detail to support the results.
- The total length of drill intersections used in this announcement is 300m.

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
- RC samples were either spear sampled for 4m composites or cone split for 1m composites.
- Sample preparation is appropriate for the RC drilling as per industry standard practices.
- Quality control procedures included the inclusion of standard samples, field duplicates, and blank samples into the sampling stream for laboratory analysis. 6 QAQC samples have been analysed for this announcement. No bias or major analytical errors have been found.
- Host rock is felsic pegmatite. Samples of RC drilling produce appropriate size samples to be representative for the style of mineralisation and rock type encountered.

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.

Quality of assay data and laboratory tests

- 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.
- Quality control procedures included the inclusion of standard samples, field duplicates, and blank samples into the sampling stream for laboratory analysis.
- One standard or blank was inserted into the sample stream every 20 samples. These were offset through the sampling stream and placed in areas of interest.
- Overall, standards used reported values within 2 standard deviations of the expected values.
- No geophysical methods or hand-held XRF units have been used for this announcement.

Verification of sampling and assaying

- The verification of significant intersections by either independent or alternative company personnel.
- Intersections reported have been checked back to original logs and assay data.
- The use of twinned holes.
- No twin holes were drilled.
- Documentation of primary data, data entry procedures, data
- Drill hole data were sourced field logs, and imported into a central

	<p>verification, data storage (physical and electronic) protocols.</p> <ul style="list-style-type: none"> • Discuss any adjustment to assay data. 	<p>electronic database. Datashed software was used to validate and manage the data.</p> <ul style="list-style-type: none"> • No adjustments were made to the assay data.
Location of data points	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Field checking confirmed the presence of the drillhole collars on the ground, which were pegged and logged by handheld GPS. • No other survey confirmation has taken place.
	<ul style="list-style-type: none"> • Specification of the grid system used. 	<ul style="list-style-type: none"> • Original surveying was undertaken in MGA94 zone 51 by handheld GPS.
	<ul style="list-style-type: none"> • Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> • Topographic control is considered more than adequate for the current announcement.
Data spacing and distribution	<ul style="list-style-type: none"> • Data spacing for reporting of Exploration Results. 	<ul style="list-style-type: none"> • The holes are approximately 20m apart.
	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • N/A, no Mineral Resource or Ore Reserve is being reported.
	<ul style="list-style-type: none"> • Whether sample compositing has been applied 	<ul style="list-style-type: none"> • No compositing has been applied. Intercepts are quoted as length weighted intervals.

Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • The drill line and drill hole orientation is oriented as close as practicable to perpendicular to the orientation of the general mineralised orientation. • Most of the drilling intersects the mineralisation at close to 90 degrees ensuring intersections are representative of true widths.
Sample security	<ul style="list-style-type: none"> • The measures taken to ensure sample security. 	<ul style="list-style-type: none"> • Sample security was ensured as Company staff were in possession of them from the time of sampling to delivery to the laboratory. • A thorough process of logging, recording, sample storage and dispatch to labs was followed.
Audits or reviews	<ul style="list-style-type: none"> • The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> • Sample data reviews have included an inspection and investigation of all available paper and digital geological logs to ensure correct entry into the drill hole database. • Visualisation of drilling data in three-dimensional software (Micromine and Surpac) and QA/QC sampling review using Maxwell Geoservices QAQCR Software was undertaken. Although these reviews are not definitive, they provide confidence in the general reliability of the data.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral	<ul style="list-style-type: none"> • Type, reference name/number, location and ownership including 	<ul style="list-style-type: none"> • Estrella Resources Limited holds a 75% interest the lithium metal

<p><i>tenement and land tenure status</i></p>	<p>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.</p> <ul style="list-style-type: none"> • 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. 	<p>rights to the project.</p> <ul style="list-style-type: none"> • There are no known impediments to operate in the area.
<p><i>Exploration done by other parties</i></p>	<ul style="list-style-type: none"> • Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> • Exploration has been undertaken by previous holders, but predominantly Western Mining Corporation (WMC) during the 1980s and Titan Resources from 2001. Consolidated Minerals took over Titan in 2006. No mining for Li has been undertaken on the project.
<p><i>Geology</i></p>	<ul style="list-style-type: none"> • Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> • The geology at MELP consists of a mafic-ultramafic belt bound to the west by metasediments and to the east by granites • The mineralisation at MELP consists of structurally controlled pegmatite bodies located in a mafic-ultramafic package, at some distance from their parent granite. The parent granite is yet to be identified at the MELP. • The geometry and size of the pegmatites is yet to be determined • Depth of complete oxidation varies from 10 to 80 metres below the natural surface but is typically around 40 metres. Pegmatites tend to be relatively fresh at surface compared to their host lithologies. In the holes being reported, the pegmatites are highly weathered and leached to approximately 40m below surface.

**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.
- See Appendix 2- Drilling Information
- No information is excluded

**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 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.
- Drill hole summary results are included in this release. The results reported include all intersections included in the announcement
- A nominal cut-off of 0.1% Li₂O was used to define the drill intersections composites. A 5m maximum internal dilution was used.
- Tables the report contains all weighted composites included in the announcement. Higher grade intersections within the composites are included in the table.

	<ul style="list-style-type: none"> The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> No metal equivalents are used in this announcement
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> 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'). 	<ul style="list-style-type: none"> The drill line and drill hole orientation is oriented as close to 90 degrees to the orientation of the anticipated mineralised orientation as practicable The drilling intersects the stratigraphy at approximately 80 degrees.
Diagrams	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Appropriate maps and tables are included in the body of the report.
Balanced reporting	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> All drill intercepts are tabulated in the body of the announcement. All drill hole collars are tabulated in the body of the announcement
Other substantive exploration data	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Mineral resources were estimated from drill hole assay data, with geological logging used to aid interpretation of mineralised contact positions. Geological observations are included in the report. All RC samples drilled at MELP are available for review and are stored at the drill

sites.

- Metallurgical test work is out of the scope of this report.
- Multi-element assay suites have been analysed and nothing has been identified as a potentially deleterious element.
- Bulk density measurements have not been taken

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.
- Follow-up drilling is planned for the near future.
- Drill spacing is currently not considered adequate to undertake economic evaluations on the project. Infill drilling would be required if economic evaluations were to be undertaken.

Appendix. Detailed Drilling Laboratory Assay Results. BDL – Indicates results below assay detection limit

Hole_ID	Easting	Northing	RL	mFrom	mTo	Li2O ppm	Cs ppm	Ta ppm
MERC0001	360934	6519673	368	15	16	32.295	11.4	<10
				16	17	775.08	95.2	25
				17	18	64.59	11.5	<10
				18	19	32.295	5.3	<10
				19	20	21.53	4.2	<10
				20	21	BD	4.7	<10
				21	22	21.53	3.5	<10
				22	23	BD	2.8	<10
				23	24	32.295	4	<10
				24	25	21.53	3.5	<10
				25	26	21.53	4.7	<10
				26	27	32.295	4.9	<10
				27	28	21.53	4.2	<10
				28	29	32.295	4.2	<10
				29	30	32.295	5.1	<10
				30	31	32.295	11	<10
				31	32	21.53	4.4	<10
				32	33	21.53	6.4	<10
				33	34	32.295	7.2	<10
				34	35	21.53	5.8	<10
				35	36	32.295	2.9	<10
				36	37	43.06	8.6	<10
				37	38	32.295	8.4	<10
				38	39	43.06	14	<10
				39	40	21.53	12.6	<10
				40	41	43.06	20.7	<10
				41	42	43.06	20.3	<10
				42	43	32.295	25.8	<10
				43	44	43.06	23.1	<10
				44	45	43.06	34.3	<10
				45	46	32.295	30.9	<10
				46	47	53.825	59.6	<10
				47	48	32.295	36.4	<10
				48	49	21.53	16.2	<10
				49	50	32.295	25.7	<10
				50	51	32.295	26.2	<10
				51	52	21.53	20.2	<10
				52	53	BD	19.3	<10
MERC0002	360914	6519668	367	0	1	86.12	9.6	<10
				1	2	64.59	4.8	<10
				40	44	43.06	23	<10

				44	48	53.825	17.6	<10
				48	52	43.06	8.2	<10
				52	53	43.06	8.2	<10
				54	55	32.295	11.8	<10
				55	56	53.825	29.7	<10
				56	57	150.71	316	<10
				64	65	775.08	243	<10
				70	71	43.06	3.1	<10
				71	72	1797.755	366	70
				72	73	2045.35	167	60
				73	74	3229.5	161	65
				74	75	24759.5	410	110
				75	76	1883.875	182	30
				76	77	850.435	24.7	<10