# ASX / MEDIA ANNOUNCEMENT

LEPIDICO

**16 July 2019**

## Drilling starts at the Karibib Lithium Project

- **Mineral Resource infill and extensional drilling has started at the Karibib Lithium Project, with two rigs on site and two on the way**
- **JORC Code (2012)-compliant Mineral Resource estimate for the Karibib Lithium Project of 8.8Mt @ 0.56% $Li_2O$**
- **Feasibility Study for mine developments at Rubicon and Helikon feeding a centralised flotation plant has started, to integrate the Karibib Lithium Project with the Phase 1 Plant Project Study**

**Lepidico Ltd (ASX:LPD) ("Lepidico" or "Company")** is pleased to announced that a 4,700 metre diamond drilling program has started at the Karibib Lithium Project in Namibia. The programme is planned to complete during the September 2019 quarter, allowing an updated Mineral Resource to be estimated during the December 2019 quarter. The previous NI43-101 Mineral Resource estimate has been confirmed with a JORC Code (2012)-compliant Mineral Resource estimate for the Karibib Lithium Project of 8.8Mt @ 0.56% $Li_2O$ (appended).

**Drill Programme**

Lepidico has started several programs totalling around 4,700 m of diamond core drilling at a cost of approximately A$1 million to upgrade portions of the current Mineral Resource to Measured and Indicated levels, along with extending the mineralisation envelope in selected areas (Figure 1). Work will include:

- Rubicon – 2,650 m of infill and extensional drilling to a nominal 50 m x 25 m spacing, including the infill of critical gaps in the drill database; and
- Helikon 1 – 2,050 m of infill and extensional drilling on a nominal 25 m x 25 m spacing.

Lepidico Managing Director Joe Walsh said, "An aggressive drill programme has started, targeting gaps in the Mineral Resources where surface access was previously restricted. These target zones are generally near surface and are designed to both add low strip ratio Resource tonnes and increase the confidence in the estimate. Four rigs have been contracted to ensure prompt completion of the drilling. First assay results are expected in August."

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**Figure 1.** Drilling at the Karibib Lithium Project, 15 July 2019.

**Surface Stockpiles**
A sampling program of the substantial surface stockpiles that exist at both Rubicon and Helikon is being developed to gain a more accurate understanding of their respective tonnes and grades.

The Mineral Resource estimate includes approximately 70,000 tonnes of lepidolite rich fines grading 0.95% $Li_2O$ associated with historical mineral processing. This material, along with additional lepidolite mineralisation present as blasted stock from mining in 2018 (prior to the cessation of operations) are being evaluated as concentrate feed for the commissioning and ramp-up of the planned Phase 1 Lithium Chemical Plant.

Sampling of the remaining surface stockpiles that were partially processed in 2017 and 2018 will be undertaken to evaluate the opportunity to process these through the planned Phase 1 concentrator for supply of lepidolite concentrate under the offtake agreement entered into by the previous owner with Chinese lepidolite converter Jiangxi Jinhui Lithium Co. Limited ("Jinhui"). These stockpiles are not included in the Karibib Lithium Project Mineral Resource estimate as Jinhui has security over this material.

**JORC Code (2012) Mineral Resource estimate**

Following engagement by Lepidico, Johannesburg-based independent mining industry consultants The MSA Group ("MSA"), reported a JORC Code (2012)-compliant Mineral Resource estimate ("MRE") for the Karibib Lithium Project of 8.8Mt @ 0.56% $Li_2O$, comprising Indicated Resources of 3.0 Mt @ 0.63% $Li_2O$ and Inferred Resources of 5.8Mt @ 0.53% $Li_2O$ at a 0.20% $Li_2O$ cut-off (Table 1). The MSA report, including JORC Code (2012) Table 1, is appended.

**Table 1.** JORC Code (2012) MRE for the Rubicon and Helikon deposits within ML204

| | Deposit | Resource Category | Cut-off (%$Li_2O$) | Tonnes (thousands) | $Li_2O$ (%) | $Ta_2O_5$ (ppm) |
|---|---|---|---|---|---|---|
| Rubicon | Rubicon Main | Indicated | 0.20 | 3,006.9 | 0.63 | 70 |
| | Rubicon Main | Inferred | 0.20 | 1,600.9 | 0.58 | 67 |
| Helikon | Helikon 1 | Inferred | 0.20 | 2,030.0 | 0.62 | 105 |
| | Helikon 2 | Inferred | 0.20 | 215.6 | 0.56 | 180 |
| | Helikon 3 | Inferred | 0.20 | 294.7 | 0.48 | 75 |
| | Helikon 4 | Inferred | 0.20 | 1,510.1 | 0.38 | 47 |
| | Helikon 5 | Inferred | 0.20 | 179.2 | 0.31 | 44 |
| TOTAL | **Rubicon-Helikon** | **Indicated** | **0.20** | **3,006.9** | **0.63** | **70** |
| | **Rubicon-Helikon** | **Inferred** | **0.20** | **5,830.4** | **0.53** | **53** |

1. *The Mineral Resource is stated as at 1 October 2018.*
2. *The Mineral Resource is depleted by surface and underground excavations where available.*
3. *All tabulated data have been rounded and as a result minor computational errors may occur.*
4. *Mineral Resources which are not Mineral Reserves have no demonstrated economic viability.*
5. *The gross Mineral Resource for the project is reported.*
6. *Preliminary mineralogical work has demonstrated that the lithium mineralogy is dominantly lepidolite, which increases in proportion to other lithium bearing minerals with increasing $Li_2O$ grade.*

As reported by Lepidico on 7 May 2019, the MRE had previously been reported by MSA in a Technical Report in accordance with the requirements of the Canadian National Instrument 43-101.

The Karibib Lithium Project comprises four granted tenements (ML204, EPL5439, EPL555 and EPL5718) encompassing 1,054 km$^2$ of the Karibib Pegmatite Belt in central Namibia, a major regional belt of LCT-type pegmatites (Figure 2).

The project itself contains numerous highly fractionated LCT-type pegmatites in which the dominant Li-minerals are lepidolite and petalite, with minor amblygonite and spodumene. A number of the pegmatites have been exploited historically for beryl, tantalite and for petalite for use in the ceramics industry. The largest of these occur at the Rubicon and Helikon areas where previous exploration efforts were focused.

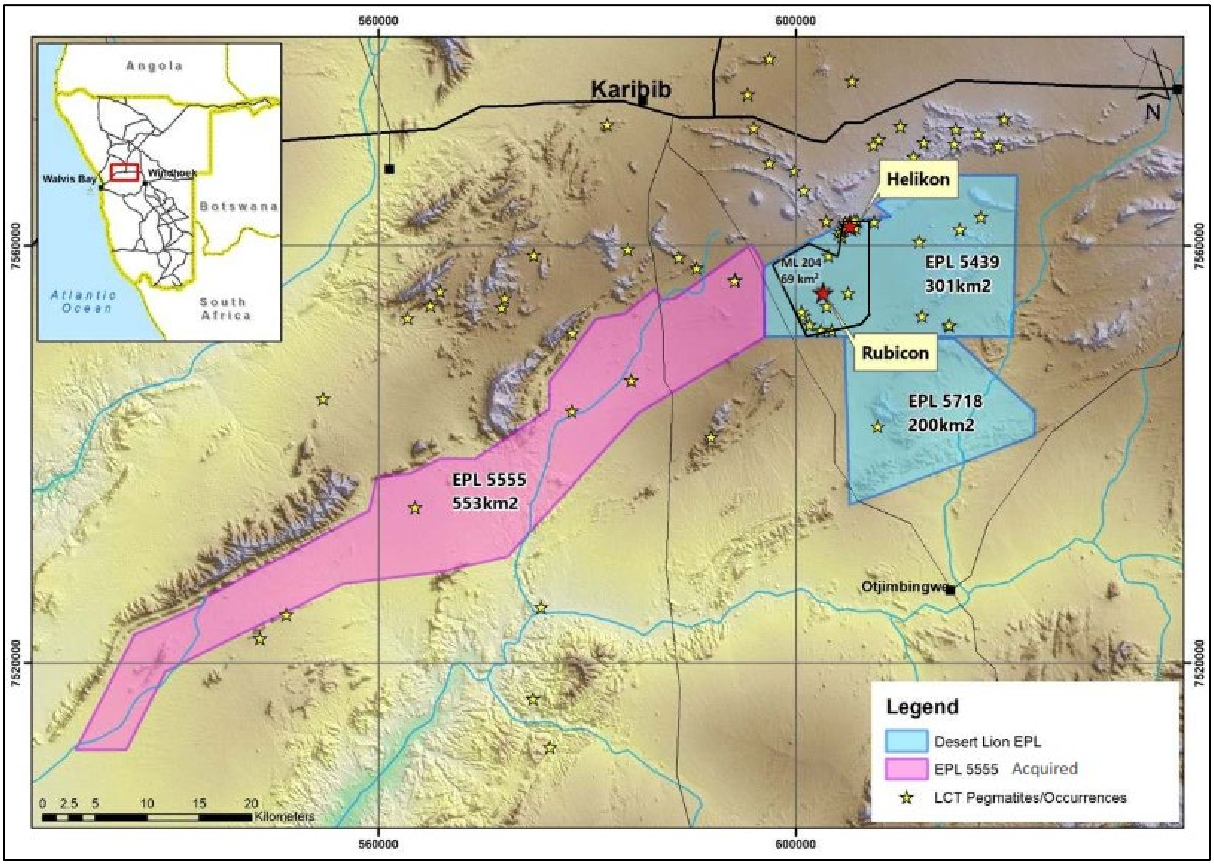


**Figure 2.** Karibib Lithium Project location and tenure showing Rubicon and Helikon pegmatite fields.

The MRE includes the Rubicon pegmatite and five pegmatites in the Helikon field (Helikon 1 – 5) located 7 km to the north. All are located within Mining Licence ML 204.

The MRE is based on an extensive program of work completed from 2016 to 2018, the key elements of which include:

- detailed geological and structural mapping;
- rock sampling – channel, grab, rock chip;
- high resolution ground magnetics;
- mineralogical and metallurgical studies to identify the Li mineral species;
- acquisition of high-resolution geophysics and drone survey data; and
- drilling of 264 diamond core and RC drill holes totalling 20,400 metres.

The MRE is reported as at 1 October 2018 and is derived from modelling of lepidolite-dominant mineralised zones (1 m - 24 m thick) within much larger petalite-bearing or barren quartz - K-feldspar - muscovite pegmatites ranging up to 71 m in thickness.

The largest deposit, Rubicon Main, is modelled to 400 m down dip and 600 m along strike. The pegmatite strikes northwest and dips to the NE at 45$^{o}$ near surface, flattening to between 18$^{o}$ and 25$^{o}$ with depth.

Mineralogical investigations at Rubicon (XRD analyses of 121 drill core samples) have identified the main lithium minerals present are (in order of abundance) lithium micas (mainly lepidolite), petalite, cookeite and minor spodumene. The cookeite has been interpreted to be an alteration product of the petalite. At Helikon minor amounts of amblygonite are also noted.

Within the mineralised zones approximately 80% of the $Li_2O$ is contained in the lepidolite, 15% in the petalite and the balance in cookeite.

It is noted that the proportion of lepidolite relative to other lithium minerals increases with $Li_2O$ content.

To date, approximately 30 pegmatites have been field validated within EPL 5439. Rock-chip sampling suggests many of these pegmatites are highly fractionated and are considered to have the potential to host lithium mineralisation. Lepidico has commenced the process of prioritising work programs across the Karibib project area to be implemented on completion of the resource drilling.

**Further Information**

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**About Lepidico Ltd**

Lepidico Ltd is an ASX-listed Company focused on exploration, development and production of lithium chemicals. Lepidico owns the technology to a metallurgical process that has successfully produced lithium carbonate from non-conventional sources, specifically lithium-rich mica minerals including lepidolite and zinnwaldite. The L-Max® Process has the potential to complement the lithium market by adding low-cost lithium carbonate supply from alternative sources. More recently Lepidico has added LOH-Max™ to its technology base, which produces lithium hydroxide from lithium sulphate without by-product sodium sulphate. The Company is currently conducting a Feasibility Study for a 5,000 tonne per annum Phase 1 lithium chemical plant, targeting commercial production for 2021. Work is currently being undertaken to evaluate the incorporation of LOH-Max™ into the Phase 1 Plant Project flow sheet. Feed to the Phase 1 Plant is planned to be sourced from the Karibib Lithium Project in Namibia, 80% owned by Lepidico where a Mineral Resource of 8.8 Mt grading 0.56% $Li_2O$ and 59ppm $Ta_2O_5$ is estimated (ASX announcement of 16 July 2019) and/or the Alvarrões Lepidolite Mine in Portugal under an ore access agreement with owner-operator Grupo Mota (ASX announcement of 7 December 2017).

**Exploration & Mineral Resources**

*The information in this report that relates to Exploration Results is based on information compiled by Mr Tom Dukovcic, who is an employee of the Company and a member of the Australian Institute of Geoscientists and who has sufficient experience relevant to the styles of mineralisation and the types of deposit under consideration, and to the activity that has been undertaken, 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 Dukovcic consents to the inclusion in this report of information compiled by him in the form and context in which it appears.*

*The information in this report that relates to Mineral Resources is based on information compiled by Mr Jeremy Witley, who is a fellow of The Geological Society of South Africa (GSSA) and is registered professional with the South African Councel for Natural Scientific Professions (SACNSAP). Mr Witley is the Head of Mineral Resources at The MSA Group (Pty) Ltd (an independent consulting company). Mt Witley has sufficient experience relevant to the style of mineralisation and the types 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 Resources and Ore Reserves." Mr Witley consents to the inclusion in this report of information compiled by him in the form and context in which it appears.*

**Forward-looking Statements**

All statements other than statements of historical fact included in this release including, without limitation, statements regarding future plans and objectives of Lepidico, are forward-looking statements. Forward-looking statements can be identified by words such as "anticipate", "believe", "could", "estimate", "expect", "future", "intend", "may", "opportunity", "plan", "potential", "project", "seek", "will" and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, its directors and management of Lepidico that could cause Lepidico's actual results to differ materially from the results expressed or anticipated in these statements.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this release will actually occur and investors are cautioned not to place any reliance on these forward-looking statements. Lepidico does not undertake to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this release, except where required by applicable law and stock exchange listing requirements.

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Date: 10 June 2019

Lepidico Ltd
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Dear Sir

## RE: RUBICON AND HELIKON MINERAL RESOURCE ESTIMATE AS AT 1 OCTOBER 2018

The Rubicon and Helikon Lithium Projects are located in the Karibib District, Namibia approximately 120 km northwest of Windhoek, the capital of Namibia and approximately 30 km southeast of the town of Karibib.

The Property comprises an Exclusive Prospecting Licence, EPL 5439, covering an area of 300.67 km2 (30,067 ha) and a Mining Licence, ML 204, covering an area of 68.68 km2 (6,868.5 ha). The licence was granted on 11 February 2016 and valid for an initial period not exceeding three years. It expired on 10 February 2019 and is currently pending renewal for an additional two years according to the Namibian Mining Cadastre Portal (http://portals.flexicadastre.com/Namibia/ accessed on 24 May 2019). ML 204 is contained entirely within EPL 5439 and was granted to Desert Lion Energy (Pty) Ltd by the Minister of Mines and Energy on August 27, 2018 and issued for a period of 10 years.

The pegmatites of the region (including Helikon and Rubicon) have been the subject of a number of geological surveys and research investigations. Initial exploration during the late 1920's and 1930's focused on beryl with Rubicon being proclaimed a mining area in 1951 with mining continuing until 1994. Mining at Helikon also focused on tantalite that was mined on a small scale as recently at 2011.

The Rubicon Lithium Project ("Rubicon" or "Rubicon Mine") comprises the Main Pegmatite (including the old Rubicon I and II open pits), the South 1 Pegmatite, the South 2 Pegmatite and the slimes dump at the Rubicon Mine. The Helikon Lithium Project ("Helikon" or "Helikon Mine") comprises the Helikon 1, Helikon 2, Helikon 3, Helikon 4 and Helikon 5 pegmatites on the farm Okongava Ost 72.

The exploration completed from the period 2016 to mid-2018 included:

- review and interpretation of historical geological work and exploration, surface rock sampling (channel and/or grab sampling, rock chip sampling),
- detailed geological and structural mapping,
- high resolution ground magnetic survey at 10 m stations along lines spaced 50 m apart,
- mineralogical and metallurgical studies focussed on identifying the lithium-bearing mineral phases,

- validation of previous work undertaken by Black Fire Minerals (Pty) Ltd through re-sampling and analysis of the drill hole cores,
- acquisition of high-resolution imagery from a high-resolution aerial drone survey of the Rubicon and Helikon areas and the creation of digital terrain models for each area,
- acquisition of high-resolution airborne magnetic and radiometric data over the Property followed by geological and structural interpretation and target generation,
- field mapping and confirmation of the targets generated by the airborne surveys, exploration drilling and sampling including:
    - 130 reverse circulation ("RC") and diamond drill ("DD") holes totalling 9,465 m, and 35 channels at the Rubicon pegmatites,
    - 120 RC and diamond drill holes totalling 10,219 m, and 65 channels at Helikon 1-5,
    - Pitting, RC drilling and the drilling of two diamond drill holes on the Rubicon slimes dump,
    - drilling of 54 RC and diamond drill holes, totalling 3,682 m, at the other pegmatites on the Property.

The drilling and sample assay data from the drilling at the Rubicon slimes and the Rubicon and Helikon pegmatites were used to inform a Mineral Resource estimate.

Site visits by MSA's Principal Consultant, Michael Cronwright (Competent Person) were conducted on 24 April 2017, 22-24 May 2017 and 6-8 June 2018. During the site visits, checks were carried out including; mapping quality, drill core quality, accuracy of the logging for both the diamond and RC drilling, verification of drill hole collars for the historical drilling by Black Fire Minerals, and verification of the recent drill hole collars. Logging and sampling techniques were also reviewed for the RC, drill core, pit and channel sampling. The drillhole logs were compared with the core photographs to further verify the accuracy of the logging. In 2017, the ALS-Chemex preparation facility in Swakopmund was inspected and, in 2018, the SGS on-site facility was inspected. A separate visit to Set Point's analytical facility in Johannesburg was conducted in May 2018.

The Competent Person considers that the exploration work conducted during the period 2016-2018 was carried out using appropriate techniques for the style of mineralisation and that the resulting database is suitable for Mineral Resource estimation.

## Geology and Mineralisation

The Project is located in the southern Central Zone of the Damara Belt in which other pegmatite deposits have been discovered and exploited. Included amongst these deposits are lithium-beryllium, tin and tourmaline-bearing Lithium Cesium Tantalite ("LCT") type family pegmatites and uranium-bearing Niobium Yttrium Fluorine family pegmatitic leucogranites, which have been intruded into the tightly folded supracrustal rocks of the Damara Supergroup.

The pegmatites of the Damara Orogen occur in five major belts with those in the Southern Tin and Karibib Pegmatite Belts containing large, well zoned lithium-beryllium gem tourmaline bearing LCT type. The Karibib Pegmatite Belt contains numerous LCT occurrences and workings, with the Rubicon and Helikon pegmatites being typical examples of highly fractionated and well zoned LCT type pegmatites.

At Rubicon, a series of stacked sub parallel pegmatites intrude a variable dioritic and pegmatitic granite sequence with the Rubicon Main pegmatite body forming a prominent ridge which strikes for a distance of approximately 1,200m in a northwesterly direction. The pegmatite dips between approximately 18° and 65° to the northeast, with dips averaging approximately 45° near surface and flattening to between 18°and 25° at depth.

The Rubicon Main pegmatite consists of two ellipsoidal, well zoned, lithium mineralised bodies developed around two quartz cores and surrounded by a zone of quartz-feldspathic pegmatite. At Rubicon, the main lithium minerals present are lepidolite and petalite. The petalite was the focus of the mining and the lepidolite bearing waste rock was discarded to produce waste dumps around the mining operations. In the 1990's some of this waste rock was milled and processed in an attempt to recover the lepidolite, and the fine tailings material/slimes was discarded onto the dump on the eastern end of the Rubicon open-pit. The lithium mineralisation of these slimes dumps is contained predominantly in lepidolite, with minor petalite, and tantalite also occurs in minor quantities.

The historical Helikon workings expose a series of stacked, sub parallel LCT type pegmatites that have been intruded into marbles and calc silicates of the Karibib Formation. The five pegmatites (Helikon 1-5) that form part of the Mineral Resource have in the past been exploited for lithium bearing minerals (lepidolite, petalite and amblygonite), tantalite and beryl. Helikon 1, located 750 m to the south of Helikon 2 – 5, is the largest pegmatite exposed at the Project with a strike length of 350 m and an average thickness of 65 m. Helikon 1 dips 70° to the north. The Helikon 2 – 5 pegmatites occur over a discontinuous strike length of approximately 1,700m with variable thicknesses and steep but variable dips.

## Mineral Resource Estimate

The Mineral Resource estimate comprising the Rubicon, Rubicon Slimes, Helikon 1, Helikon 2, Helikon 3, Helikon 4 and Helikon 5 deposits was based on assay, geological and mineralogical data generated from three phases of channel sampling, pitting, diamond drilling ("DD") and reverse circulation ("RC") drilling completed in 2017 and 2018.

The Mineral Resource is reported in accordance with the 2012 edition of the JORC Code and is classified into the Indicated and Inferred categories. The Mineral Resource was originally reported in an NI 43-101 Technical Report on behalf of Desert Lion Energy Inc. ("DLE") titled "Preliminary Economic Assessment for Desert Lion Energy Lithium Project" prepared by Hatch Ltd. ("Hatch") and The MSA Group (Pty) Ltd ("MSA") and dated 23 November 2018.

Metallurgical test work and processing design indicate that a saleable product can be produced from the run-of-mine material. Likely costs of mining and processing are estimated to be less than the revenue expected from the saleable product. The material therefore satisfies the requirement for reasonable prospects for eventual economic extraction.

The Mineral Resource for the in-situ deposits is based on a cut-off grade of 0.2 % $Li_2O$. The Mineral Resource has an effective date of 01 October 2018 and is summarised in the following table:

| | **Deposit** | **Resource Category** | **Cut-off (%$Li_2O$)** | **Tonnes (thousands)** | **$Li_2O$ (%)** | **$Ta_2O_5$ (ppm)** |
|---|---|---|---|---|---|---|
| **Rubicon** | Rubicon Main | Indicated | 0.20 | 3,006.9 | 0.63 | 70 |
| | Rubicon Main | Inferred | 0.20 | 1,600.9 | 0.58 | 67 |
| **Helikon** | Helikon 1 | Inferred | 0.20 | 2,030.0 | 0.62 | 105 |
| | Helikon 2 | Inferred | 0.20 | 215.6 | 0.56 | 180 |
| | Helikon 3 | Inferred | 0.20 | 294.7 | 0.48 | 75 |
| | Helikon 4 | Inferred | 0.20 | 1,510.1 | 0.38 | 47 |
| | Helikon 5 | Inferred | 0.20 | 179.2 | 0.31 | 44 |
| **TOTAL** | **Rubicon + Helikon** | **Indicated** | **0.20** | **3,006.9** | **0.63** | **70** |

| | | | | | |
|---|---|---|---|---|---|
| **Rubicon + Helikon** | **Inferred** | **0.20** | **5,830.4** | **0.53** | **53** |

1. *The Mineral Resource is stated as at 1 October 2018.*
2. *The Mineral Resource is depleted by surface and underground excavations where available.*
3. *All tabulated data have been rounded and as a result minor computational errors may occur.*
4. *Mineral Resources which are not Mineral Reserves have no demonstrated economic viability.*
5. *The gross Mineral Resource for the project is reported.*
6. *Preliminary mineralogical work has demonstrated that the lithium mineralogy is dominantly lepidolite, which increases in proportion to other lithium bearing minerals with increasing $Li_2O$ grade. Previous test work by SGS has also indicated that mineralogical separation of the lepidolite and petalite is possible under laboratory conditions and DLE demonstrated a ~1.7% $Li_2O$ lepidolite product can be produced from the on-site processing plant.*

A Mineral Resource estimate is also reported for the Rubicon Slimes. The lowest $Li_2O$ block estimate is greater than 0.2 % $Li_2O$. MSA considers the Rubicon Slimes to have reasonable prospects for eventual economic extraction given the anticipated low-cost bulk mining and non-selective nature of mining the slimes. The total volume of the slimes dump is therefore reported as a Mineral Resource in accordance with the 2012 edition of the JORC Code in the following table.

| | | Resource Category | Tonnes (thousands) | $Li_2O$ (%) | $Ta_2O_5$ (ppm) |
|---|---|---|---|---|---|
| Rubicon | Rubicon Slimes | Indicated | 62.2 | 0.97 | 82 |
| | Rubicon Slimes | Inferred | 7.2 | 0.80 | 85 |

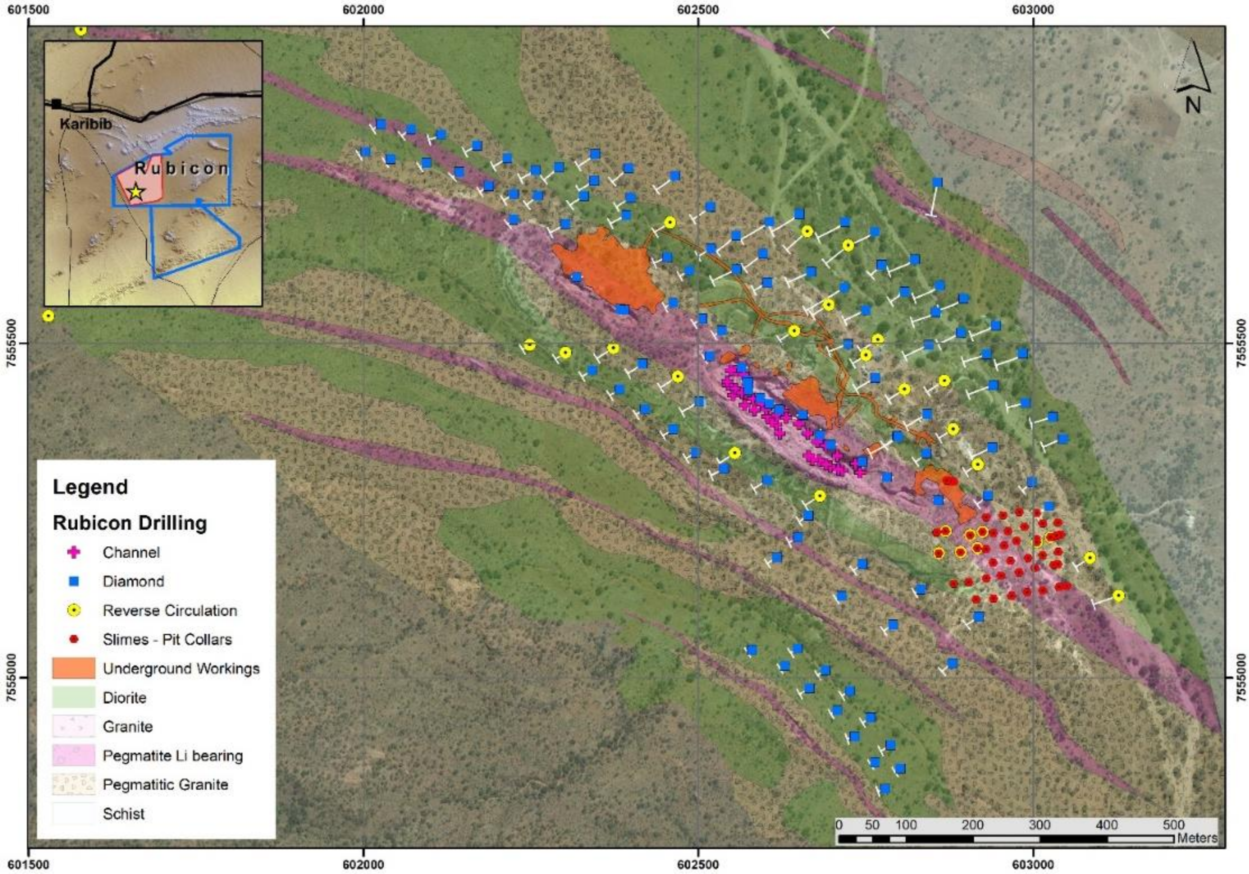
1. *The Mineral Resource is stated as at 1 October 2018.*
2. *The Mineral Resource is volume is estimated from topographic and drilling data.*
3. *All tabulated data has been rounded and as a result minor computational errors may occur.*
4. *Mineral Resources which are not Mineral Reserves have no demonstrated economic viability.*
5. *The gross Mineral Resource for the project is reported.*

## Rubicon

A total of 142 DD and RC holes for over 10,000 m of drilling were completed over a grid of approximately 50 m x 50 m. 35 channel sample sections were also completed. The Rubicon Main pegmatite has been delineated over a strike length of approximately 1,200 m and the pegmatite was modelled to a down-dip extent of 280 m from surface. The deposit remains open down-dip to the northeast.

The Rubicon Slimes, comprising tailings residue from previous operations, was estimated through a total of 36 pits, 8 RC drill holes totalling 42 m in length and 5 trenches totalling 7.2 m in length (Figure 1).

*Figure 1. Rubicon Drilling, Channel Sampling and Pitting*



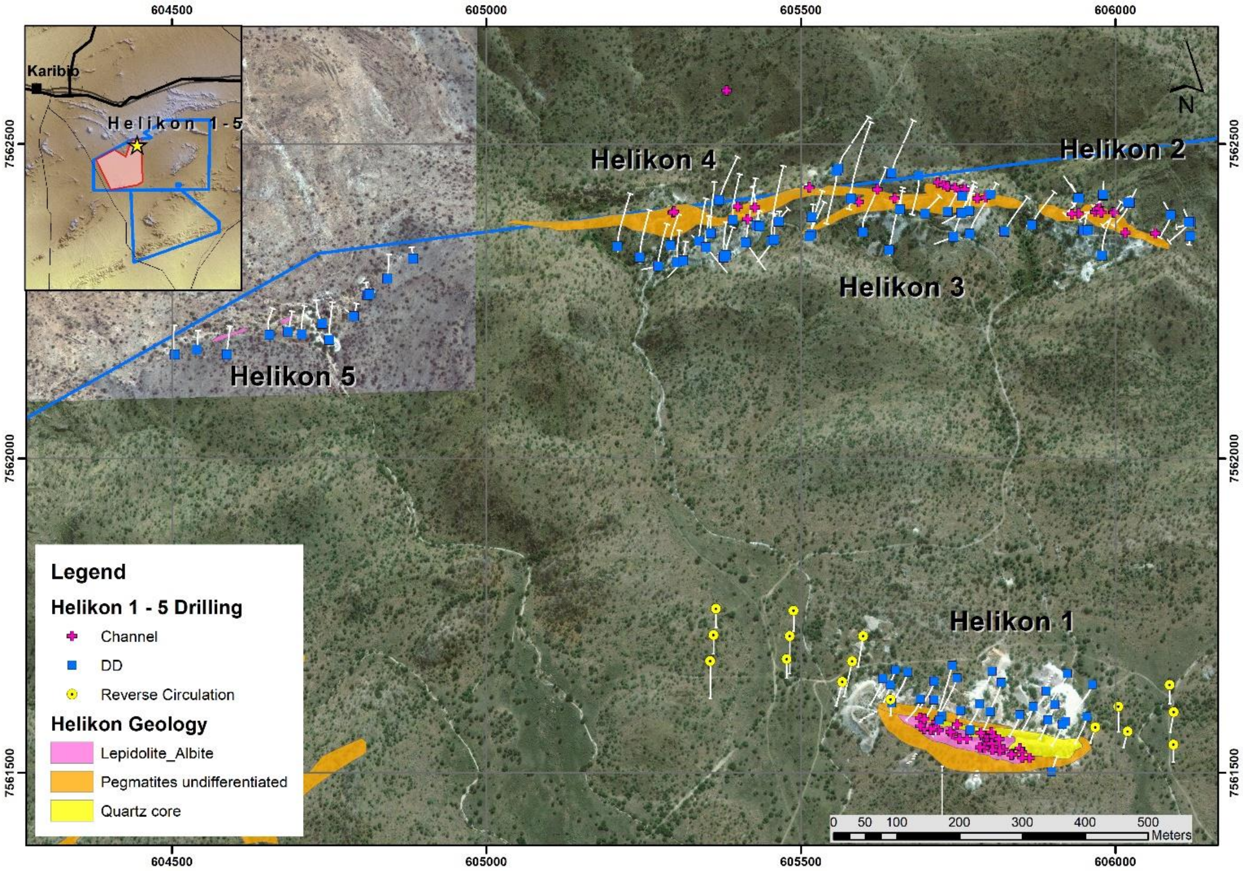

## Helikon 1

DD and RC holes were drilled on a staggered 40 m x 20 m grid where 50 holes were drilled for a total of 3,760 m. 36 channel sample sections were also completed. Drilling has delineated the Main Helikon 1 pegmatite for a strike length of approximately 450 m and the pegmatite was modelled down-dip to 70 m from surface (Figure 2).

## Helikon 2 – 5

Helikon 2, 3, 4 and 5 represent a series of semi continuous, sub parallel pegmatites that exhibit steep, but variable dips. Diamond drilling was completed on broad 40 m spacing along strike with step out holes down dip where possible. A total of 71 DD holes were drilled totalling 7,700 m, and 28 channel samples were taken at Helikon 2, 3 and 4.

*Figure 2. Helikon 1 - 5 Drilling and Channel Sampling*




## Estimation Methodology

### *Rubicon*

A geological model of the Rubicon Main pegmatite was constructed by MSA using Leapfrog Geo. Internal pegmatite domains were interpreted based on geological logging and assay data. The pegmatite and internal domains were imported into Datamine Studio 3 for block model construction and estimation. Grades were estimated into the pegmatite and internal domains by means of ordinary kriging (depending on the availability of data and semi-variogram stability) or inverse distance weighting.

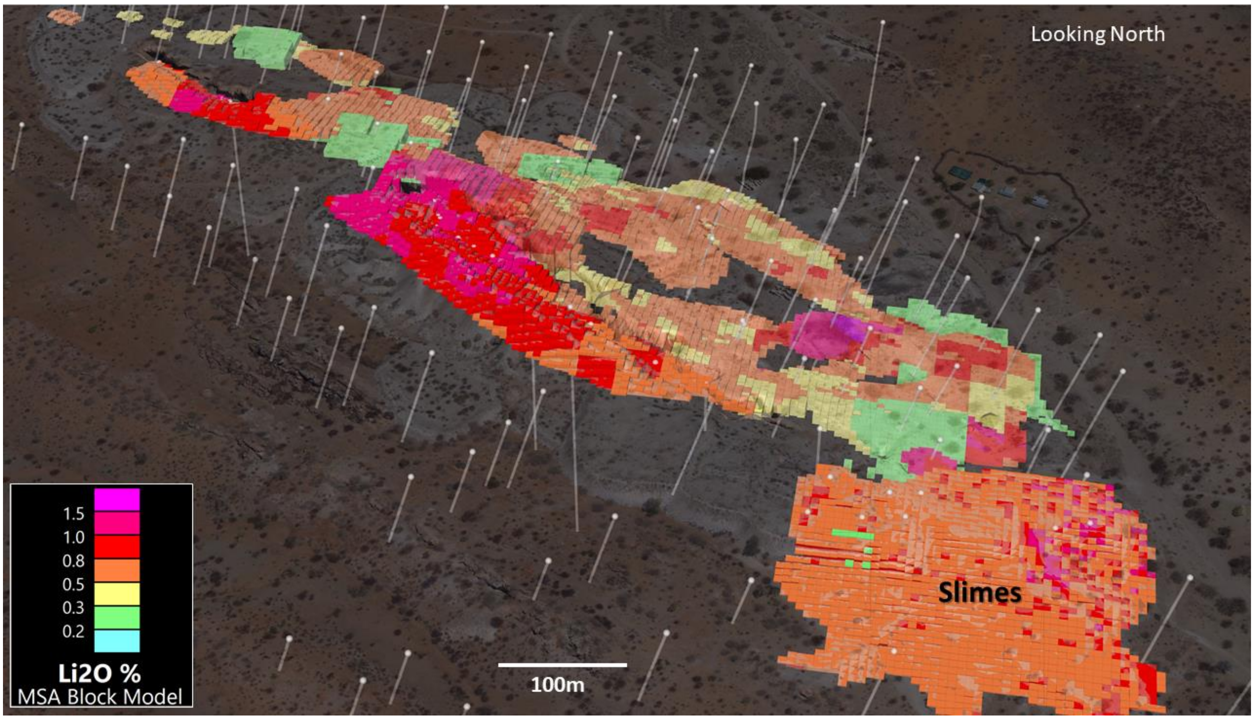
Specific gravity (SG) determinations have been carried out on Rubicon diamond drill core. The majority of these were completed on fresh pegmatite material by utilising the Archimedes Principle of weighing samples in air and water. An average SG was estimated for each of the modelled domains and assigned in the block model for tonnage calculations.

The Mineral Resource is classified as Indicated where geological continuity is sufficient to be assumed between drill holes, where blocks have been estimated within the first search volume (derived from the $Li_2O$% semi-variogram range), where blocks occur within a drill hole spacing of 50 m by 50 m. The Indicated Mineral Resources were extended 25 m from the sample data. Inferred Mineral Resources are defined as those blocks in which geological continuity is implied but cannot be verified, which is where drilling is outside of the 50 m grid and spacing is greater than the semi-variogram range. Inferred Mineral Resources were extrapolated beyond 25 m from sample data.

A volume model of the Rubicon Slimes was constructed by MSA using Leapfrog Geo. The volume model was imported into Datamine for block model construction and estimation. Grades were estimated into the volume by means of inverse distance weighting. A constant bulk density value of 1.53 t/m$^3$ was applied for the estimation of tonnages.

Areas where the slimes were drilled at a spacing of closer than 20 m by 20 m were classified as Indicated Mineral Resources, the remaining area of the model within the drilling grid was classified as Inferred Mineral Resources. Inferred Mineral Resources were extrapolated a maximum of 50 m from the nearest drill hole intersection.

*Figure 3. 3D View of Rubicon Main (0.2% $Li_2O$ cutoff) and Slimes Block Model*



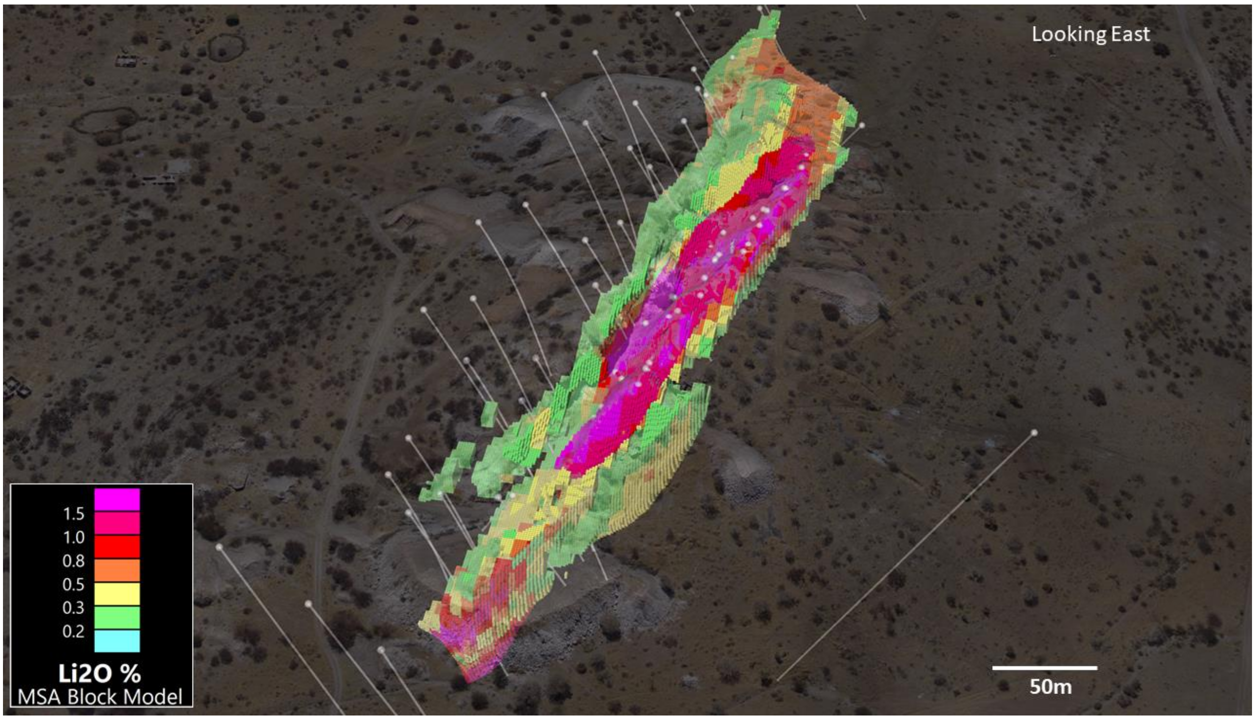

## *Helikon 1*

A geological model of the Helikon 1 pegmatite was constructed by MSA in Leapfrog Geo. Internal pegmatite domains were interpreted based on geological logging and assay data. The pegmatite and internal domains were imported into Datamine Studio RM for block model construction and estimation. Grades were estimated into the pegmatite and internal domains by means of inverse distance weighting as the data did not support the calculation and modelling of stable semi-variograms for use in estimation.

Specific gravity (SG) determinations were carried out on drill core utilizing the Archimedes Principle. An average SG was estimated for each of the modelled domains and assigned in the block model for tonnage calculations.

The Mineral Resource is classified as Inferred as there are insufficient data to model spatial continuity. The spacing of data is sufficient to imply, but not verify, geological continuity and some mineralised zones are informed by only a single drill hole.

*Figure 4. 3D View of Helikon 1 (0.2% $Li_2O$ cutoff)*



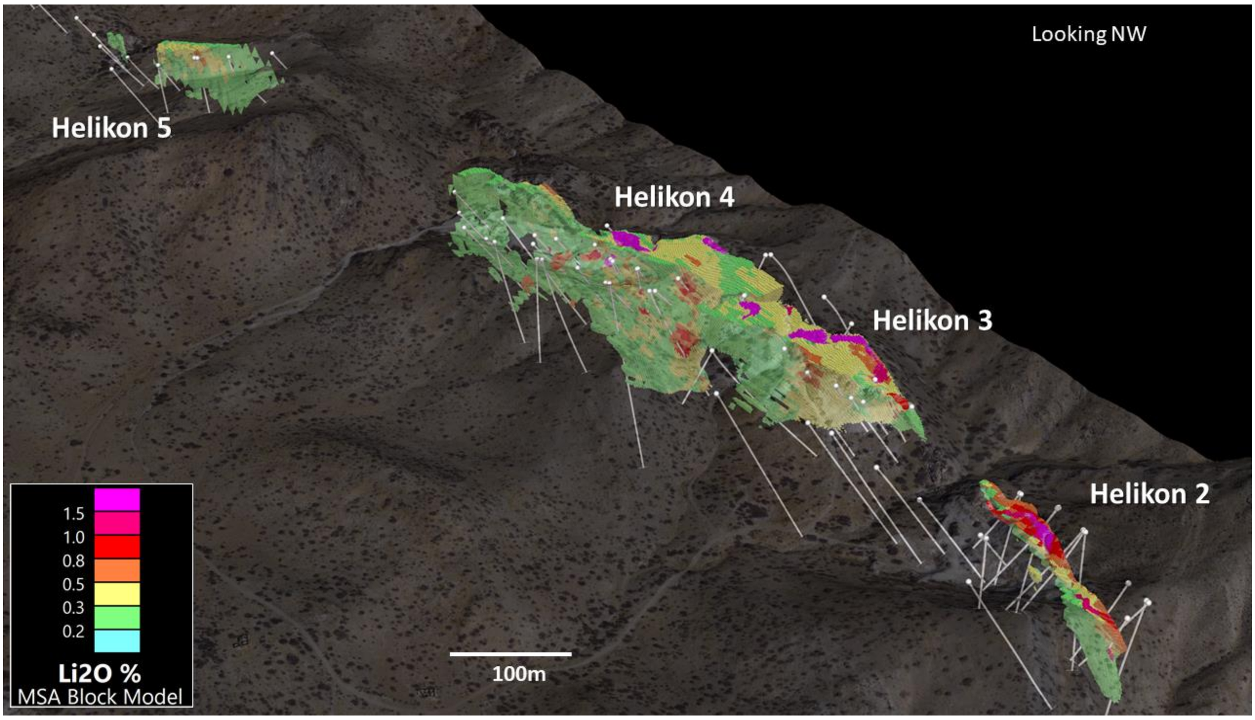

## *Helikon 2 – 5*

Geological models of the Helikon 2-5 pegmatites were constructed by MSA in Leapfrog Geo. Internal pegmatite domains were interpreted based on logging which were further refined from assay data. The pegmatite and internal domains were imported into Datamine Studio RM for block model construction and estimation. Grades were estimated into the pegmatite and internal domains by means of inverse distance weighting as the data did not support the calculation and modelling of stable semi-variograms for use in estimation.

Specific gravity (SG) determinations were carried out on drill core utilising the Archimedes Principle. Average SG values were estimated for each of the modelled domains and assigned in the block models for tonnage calculations.

The Mineral Resources are all classified as Inferred as there are insufficient data to model spatial continuity. The spacing of data is sufficient to imply, but not verify, geological continuity and some mineralised zones are informed by only a single drill hole.

*Figure 5. 3D View of Helikon 2 - 5 (0.2% $Li_2O$ cutoff)*




## Mineralogy

In order to better quantify the proportions of lepidolite and other lithium bearing minerals in the Mineral Resource, assayed samples from all deposits were subjected to X Ray Diffraction ("XRD"). 121 samples were selected from Rubicon and 360 samples from the Helikon 1-5 core samples. The lithium minerals identified by XRD are lepidolite, petalite, cookeite, with traces of amblygonite at Helikon and traces of spodumene at Rubicon. The cookeite is only present in samples containing petalite, its content is directly proportional to the petalite content and it is interpreted as an alteration product of the petalite.

## *Rubicon*

Figure 6 plots the lithium mineral proportions normalized to 100 % and shows the relative increase in the proportion of lepidolite relative to other lithium minerals with increasing $Li_2O$ grade. The high petalite contents in the two highest grade samples were from pure petalite zones, which tend to form small discontinuous patches within the pegmatite.

*Figure 6. Plot of lithium mineral proportions relative to $Li_2O$ grade for Rubicon.*

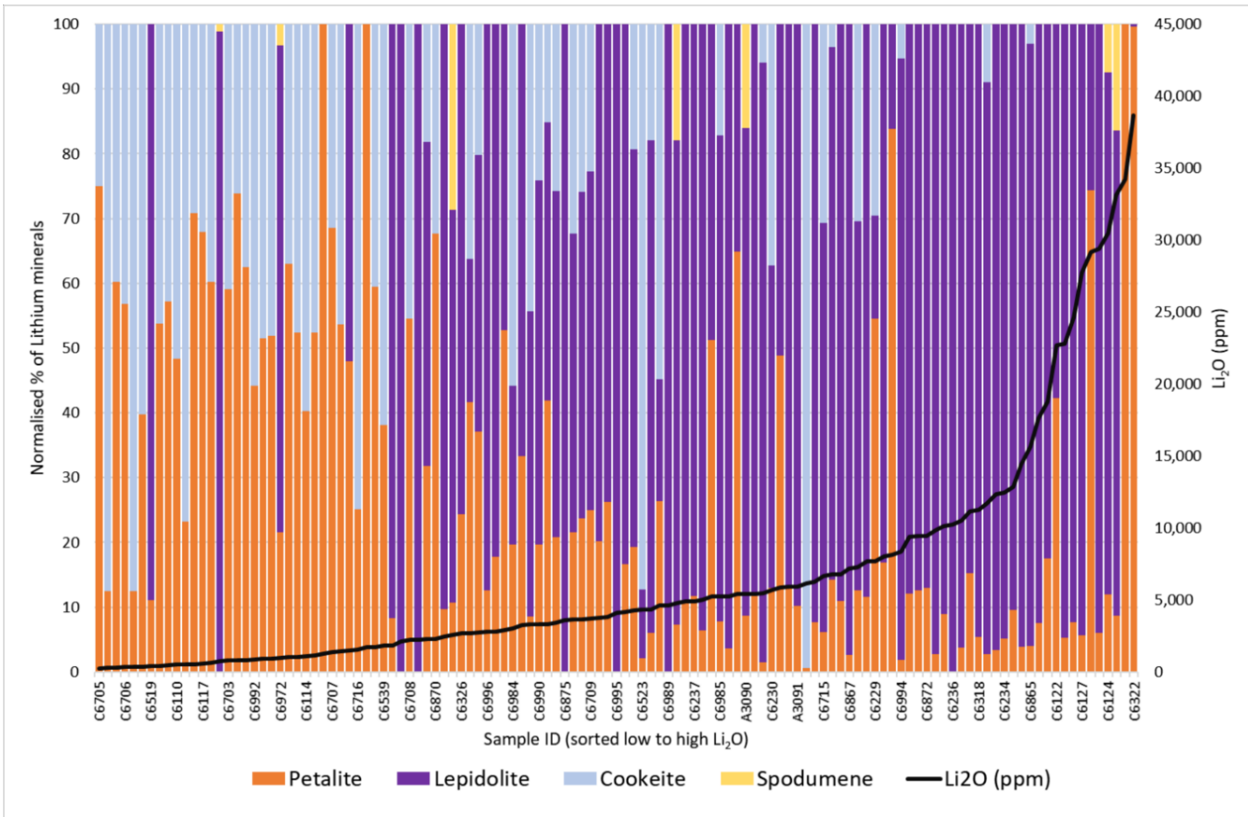
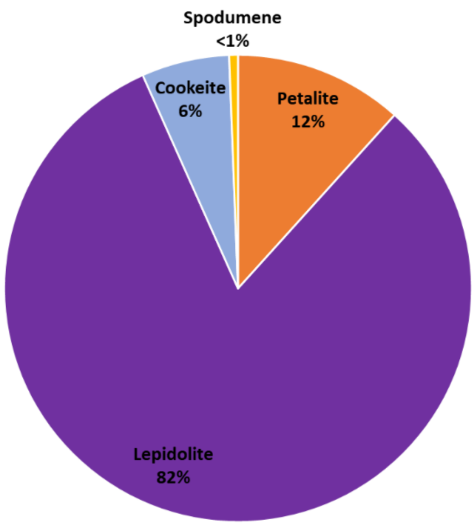



Figure 7 shows the relative proportions of the lithium minerals for samples with greater than 0.2 % $Li_2O$, demonstrating that lepidolite (82 %) is the dominant lithium mineral, followed by petalite (12 %), cookeite (6 %) and traces of spodumene.

*Figure 7. Plot of the $Li_2O$ contribution of the various lithium minerals present for samples with >0.2% $Li_2O$*



## *Helikon 1-5*

Figure 8 shows the lithium mineral proportions normalized to 100 % and demonstrates the relative increase in the proportion of lepidolite relative to other lithium minerals with increasing $Li_2O$ grade. Amblygonite is present in some samples at higher $Li_2O$ grades.

*Figure 8. Plot of lithium mineral proportions relative to $Li_2O$ grade.*

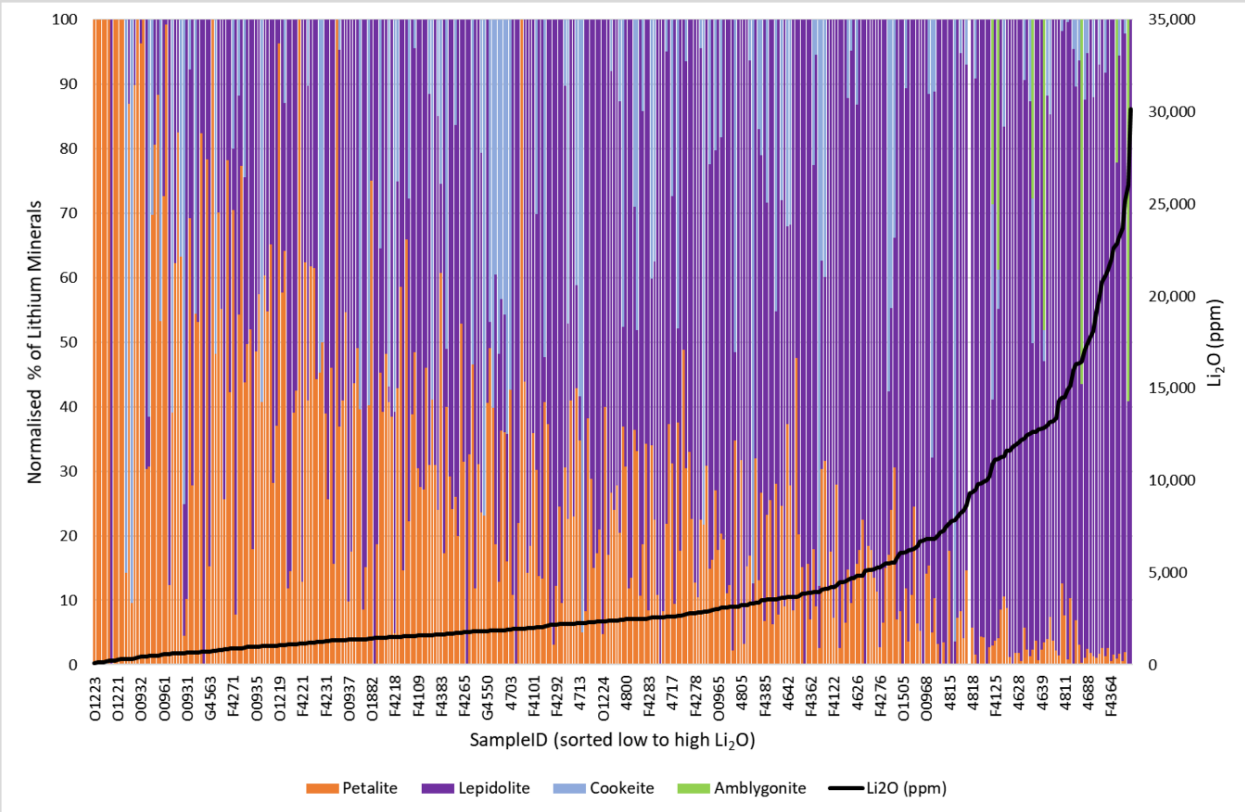
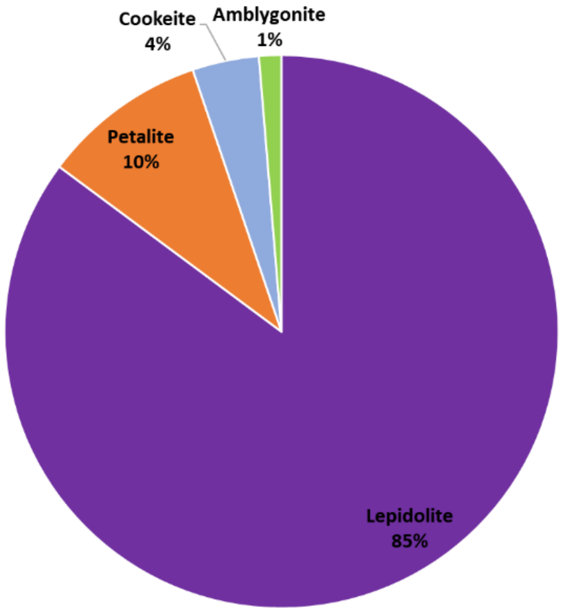



Figure 9 shows the relative proportions of the lithium minerals in the samples containing greater than 0.2 % $Li_2O$ with lepidolite (85 %) being the dominant lithium mineral, followed by petalite (10 %), cookeite (4 %) and traces of amblygonite.

*Figure 9. Plot of the $Li_2O$ contributions of the various lithium minerals present for samples with >0.2% $Li_2O$*




## Assaying and Quality Control

The channel sampling and drill core logging and sampling were conducted either on-site or at the core yard, which is located on the Property. All channel sampling and drill core handling, logging and sampling processes were conducted by employees and contractors of Benzu (a geological consultant to DLE) and DLE. The observations on lithology, structure, mineralisation, sample number, and location were noted by the geologists and technicians on hardcopy logs and then recorded in a Microsoft Excel spreadsheet. Copies of the database were stored on an external hard drive for back up. Since March 2018, the logging data of the drill core and RC drilling has been captured directly into a Logchief™ tablet computer, which synchronises the data on a daily basis with the central off-site database, which is hosted at MSA's offices in Johannesburg, South Africa.

All samples collected by Benzu during the course of the 2017 exploration programmes were sent to the ALS-Chemex preparation facility located in Swakopmund, Namibia. The pulps were then sent to the ALS-Chemex analytical facility in Vancouver for assay. The remaining drill core was stored in core trays on site, either on metal core racks in steel shipping containers or stacked and covered in a dedicated area adjacent to the core yard.

ALS-Chemex is an independent laboratory service provider and is ISO9001:2000 certificated for the provision of assay and geochemical analytical services and ISO17025 accredited for selected analytical methods.

Subsequent samples generated from the drilling and channel sampling (from July 2017) were sent to one of the following laboratories, each of which is an independent commercial laboratory:

- ALS-Chemex (sample preparation in Swakopmund and analysis in Vancouver)
- Scientific Services (in Cape Town)
- ACT Laboratories (Canada)
- Setpoint Laboratories (Johannesburg).

A summary of the sample preparation and analytical methods used by the various laboratories is shown in the tables below. Over and above the laboratory quality assurance quality control ("QA/QC") routinely implemented by the laboratories, DLE developed an internal QA/QC protocol which utilised Certified Reference Materials ("CRMs"), blank samples, and coarse crush duplicates on a systematic basis. One standard, one duplicate and one blank sample were inserted every 30 samples (giving an average of approximately 10% of the assays being from QAQC samples). ALS-Chemex was used as a check lab for Setpoint analyses, and the results show an acceptable correlation between the two laboratories. An exception to this was the Slimes Dump analyses were the primary lab was ALS.

### *Summary of analytical methods used and detection limits for samples submitted to ALS Chemex*

Note: * Detection limit varies depending on element

| Method code | Elements | Lower detection limit | Upper detection limit | Description |
|---|---|---|---|---|
| PREP-31 | | | | Login of samples into the system, weighing, fine crushing of entire sample to 70 % - 2 mm, split off 250 g and pulverize split to >85 % < 75 µm. |
| ME-MS89L | 50 elements* (Ag,As,Ba,Be,Bi,C,Cd, Ce,Co,Cs,Cu,Dy,Er,Eu, Fe,Ga,Gd,Ge,Ho,In,La, Li,Lu,Mn,Mo,Nb,Nd, Ni,Pb,Pr,Rb,Re,Sb,Se, Sm,Sn,Sr,Ta,Tb,Te,Th, Ti,Tl,Tm,U,V,W,Y,Yb,Zn | 2 ppm Li | 25,000 ppm Li | Multi-Element lowest detection limit method using $Na_2O_2$ fusion and ICP-MS. $Na_2O_2$ Fusion followed by ICP-MS. Method Precision: ± 10–15 %. |
| Li-OG63 | Li | 0.005 % | 10 % | "Over-limit Li by HF-$HNO_3$-$HClO_4$ digestion, HCl Leach - Special open beaker method. Method Precision: ± 10 % |
| OA-GRA08 | | | | Specific Gravity on solid objects |

### *Summary of analytical methods used and detection limits for samples submitted to ACT Laboratories in Canada*

Note: * Detection limit varies depending on element

| Method code | Elements | Lower detection limit | Upper detection limit | Description |
|---|---|---|---|---|
| RX1 | | | | Log in, weigh, crush to 90 % passing 10 mesh, riffle split (250 g) and pulverized (mild steel mill) to >95 % passing 105 µm. |
| UT-7 | 55 elements* Al, As, B, Ba, Be, Bi, Ca, Cd, Ce, Co, Cr, Cs, Cu, Dy, Er, Eu, Fe, Ga, Ge, Ho, Hf, In, K, La, Li, Mg, Mn, Mo, Nb, Nd, Ni, Pb, Pr, Rb, S, Sb, Se, Si, Sm, Sn, Sr, Ta, Tb, Te, Th, Ti, Tl, Tm, U, V, W, Y, Yb, Zn. | 3 ppm Li | 10,000 ppm Li | Multi-element analysis by Sodium Peroxide fusion ICP / MS |
| UT-8 | Li | 0.01% Li | | Sodium Peroxide fusion, acid dissolution followed by ICP-OES. |

*Summary of analytical methods used and detection limits for samples submitted to Scientific Services, Cape Town*

Note: * Detection limit varies depending on element

| Method code | Elements | Lower detection limit | Upper detection limit | Description |
|---|---|---|---|---|
| | | | | Sample preparation done at ACT Laboratories by method RX1 (see **Error! Reference source not found.**) |
| ME-42 | 45 elements* Ag, Al, As, Ba, Be, Bi, Ca, Cd, Ce, Co, Cr, Cu, Cs, Fe, Ga, Ge, K, La, Li, Mg, Mn, Mo, Na, Ni, P, Pb, Rb, Se, S, Sb, Sc, Se, Sr, Te, Th, Ti, Tl, U, V, W, Y, Zn. | 5 ppm Li | 25 000 ppm Li | Four Acid Microwave digest, ICP-OES . |

*Summary of analytical methods used and detection limits for samples submitted to Set Point Laboratories, Johannesburg*

Note: * Detection limit varies depending on element

| Method code | Elements | Lower detection limit | Upper detection limit | Description |
|---|---|---|---|---|
| DLEG-1 | | | | Login, dry, crush and pulverize >80 % passing through 75 µm – Done at on-site laboratory |
| M448* | 9 elements* Li, Ta, Fe, K, Be, Nb, Rb, Ga, Sn | 0.001 % Li | 5% Li | Multi-element analysis by Sodium Peroxide fusion ICP/MS |

In the CP's opinion, the results of the QA/QC programme are acceptable, and the data are suitable for Mineral Resource estimation and reporting according to the 2012 edition of the JORC Code.

## Competent Persons Statement

The information in the document relating to Geology and Exploration is based upon information compiled by Mr Michael Cronwright, who is a fellow of The Geological Society of South Africa (GSSA) and is a registered professional with the South African Council for Natural Scientific Professions (SACNSAP). Mr Cronwright is a Principal Consultant with The MSA Group (Pty) Ltd (an independent consulting company). Mr Cronwright 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 JORC Code.

The information in the document relating to Mineral Resource estimation is based upon work completed under the supervision of Mr Jeremy Witley, who is a fellow of The Geological Society of South Africa (GSSA) and is a registered professional with the South African Council for Natural Scientific Professions (SACNSAP). Mr Witley is the Head of Mineral Resources at The MSA Group (Pty) Ltd (an independent consulting company). Mr Witley 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 JORC Code.

## JORC CODE, 2012 Edition Table 1 - Rubicon

## Section 1: Sampling Techniques and Data

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

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Sampling techniques* | • *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*<br>• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*<br>• *Aspects of the determination of mineralisation that are Material to the Public Report.*<br>• *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.* | • A combination of diamond drilling (DD), producing drillhole core, and reverse circulation (RC) drilling, producing rock chips, has been utilised to sample the pegmatite below ground surface.<br>• The zones of barren pegmatite between mineralised intervals for holes RDH001-059 were not always sampled. A sample was also collected either side of the mineralised intervals. Samples for holes from RDH060 onwards were collected through the entire pegmatite, a single host rock sample was collected from each side of the pegmatite contacts.<br>• Diamond drilling has been used to obtain core samples which have been cut longitudinally in half. Intervals submitted for assay have been determined according to geological boundaries. Samples were taken at nominal 1 m intervals with a minimum sample length of 0.5 m while honouring geological contacts.<br>• The submitted half-core samples typically have a mass of between 2 kg and 4 kg.<br>• The samples collected from the RC drilling were split using a riffle splitter mounted under the cyclone at a 90:10 split to obtain two samples. The smaller sub sample, of between 3 kg and 5 kg, was submitted for assay. A reference sample of each of the samples submitted was kept on site. The non-pegmatite material was discarded.<br>• Channel samples were collected from two diamond saw cut channels, typically 2-5 cm deep and 4-5 cm in width. Channel sampling was also conducted on exposed lepidolite mineralisation in the historical open pits. Sample lengths varied from 0.1m to 2.0 m and samples were chipped out using a hammer and chisel. |
| *Drilling techniques* | • *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).* | • The diamond core drilling was used five drill rigs, two Atlas Copco CS140, one Atlas Copco P4 rig, one Atlas Copco C6C and an X6000 drill rig. Drilling was by using a combination of HQ (63 mm) at the top of the drill holes and NQ (48 mm) diameter once more competent lithologies were encountered at depth. |

| Criteria | JORC Code explanation | Commentary |
| --- | --- | --- |
| | | • The RC drilling was carried out using two drill rigs, an Atlas Copco CS-14 and a Schramm T685WS Rotadrill, drilling 140 mm diameter drill holes.<br>• The drill holes are generally spaced 50-100 m apart with azimuths ranging between 217° and 243° (averaging 229°) and inclinations at between -69° and -73° in order to intersect the pegmatites as close to perpendicular to strike and dip as possible. A number of vertical drill holes were also drilled. The deepest DD hole was drilled to a depth of 203 m and the deepest RC hole was drilled to a depth of 126 m.<br>• Two phases of drilling were completed; one in 2017 and the other mid-2017 to mid-2018.<br>• In 2017, 59 DD holes (2,796.78 m), 20 RC holes (1,345.00 m) and 11 RC/DD holes (i.e. RC tops and DD tails) (740.74 m) were completed. 35 channels (65.36 m) were also cut and sampled.<br>• The drilling from mid-2017 to mid-2018 included 28 DD holes (3,234.40 m); 5 RC holes (398.00 m) and 8 RC/DD holes (949.84 m).<br>• A Reflex Ez-Trac survey was performed at 50 m intervals down hole for all diamond core drill holes. The RC drill holes were not surveyed. |
| *Drill sample recovery* | • *Method of recording and assessing core and chip sample recoveries and results assessed.*<br>• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*<br>• *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.* | • Core recoveries for the diamond drill holes were >95 % according to core recovery logs. The samples taken for assay are considered representative of the mineralisation present.<br>• Due to the high core recovery no additional methods to improve the sample recovery were implemented.<br>• The RC recoveries average 70 % (using a SG of 2.6 and RC hole diameter of 140 mm).<br>• A comparison of the assay results of the RC with the drill core samples within the mineralised zones shows no bias and indicates that the RC sampling is representative of the mineralisation present. |
| *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.*<br>• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*<br>• *The total length and percentage of the relevant intersections logged.* | • Drill hole cores were logged by qualified geologists on paper logs that were then captured into validated Excel spreadsheets and then uploaded into a Maxwell™ Datashed database. From March 2018, logging was directly input to Maxwell™ Logchief using tablet computers which were synchronised daily with the main Maxwell™ Datashed database.<br>• The cores were logged for geology and geotechnical properties (RQD & planar orientations). The Datashed database was managed by MSA during the exploration programme and a complete copy of the database was handed |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | over to the client at the end of the programme. The parameters recorded in the logging are adequate to support appropriate Mineral Resource estimation.<br>• All cores were logged, and logging was by qualitative (lithology) and quantitative (RQD and structural features) methods. All cores were also photographed both in dry and wet states, with the photographs stored in the database.<br>• The entire length of all drill holes was logged for geological, mineralogical and geotechnical data.<br>• A sample of the RC chips was washed and retained in a chip tray. Chip samples have been geologically logged at 1 m intervals, with data recorded as per the diamond core drill holes. Sample weight, moisture content, lithologies, texture, structure, alteration, oxidation and mineralisation were recorded. |
| *Sub-sampling techniques and sample preparation* | • *If core, whether cut or sawn and whether quarter, half or all core taken.*<br>• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*<br>• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*<br>• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*<br>• *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.*<br>• *Whether sample sizes are appropriate to the grain size of the material being sampled.* | • The samples collected from the RC drilling were split using a riffle splitter mounted under the cyclone at a 90:10 split to obtain two samples. The smaller sample of between 3 kg and 5 kg was submitted for assay. A reference sample of each of the samples submitted was kept on site. The non-pegmatite material was discarded.<br>• Cores were cut longitudinally in half and the half from the same side was consistently sampled at a nominal 1 m length, respecting lithological boundaries. The other half of the core was retained for reference purposes.<br>• The samples were crushed and milled (85 %, pass -75 µm) at the ALS Laboratory in Swakopmund. Laboratory duplicates, blanks and standard material (produced by AMIS) were inserted in identical packets to the samples, one per 20 field samples. This was done under the supervision of a qualified geologist or experienced geotechnician.<br>• The samples produced from the diamond core drilling, RC drilling and channel sampling up to July 2017 were prepared at the ALS-Chemex preparation facility at Swakopmund using the PREP-31 method. Any moist samples were dried and then crushed to 70 % passing 2 mm using jaw crushers. The crushed material was split using a riffle splitter to obtain a 250 g subsample. The subsamples were then pulverized using a two-component ring mill (ring and puck mill) or a single component ring mill (flying disk mill) to 85 % passing 200 mesh (-75 µm). An aliquot of the pulverized sample was put into an envelope and sealed and submitted to ALS Vancouver for analysis.<br>• After July 2017, a number of labs were utilised, and preparation was carried out at either: |

| Criteria | JORC Code explanation | Commentary |
| --- | --- | --- |
| | | • ACT Laboratories (Windhoek) (method RX1) where the sample was crushed to 90 % passing through 2 mm (10 mesh size), thereafter a 250 g was split with riffle splitters and pulverized with mild steel ball to >95 % passing through 105 µm. An aliquot of the pulverized sample was put into an envelope and sealed and submitted to either Scientific Services (Cape Town) or ACT (Canada), or<br>• Set Point's on-site facility (method DLEG-1) where the samples were dried if necessary and then crushed using Rhino crushers to 80 % passing 2.8 mm. The samples were split using Jones riffle splitters or a 10-way rotary splitter, and 250 g aliquot split off and milled to achieve >80 % passing 75 µm.<br>• A coarse crush duplicate was inserted into a prelabelled sample bag by the preparation laboratory for every 25 to 30 samples. Analysis of the results of these samples vs the primary sample from which they were split shows acceptable reproducibility across the grade range. |
| *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.*<br>• *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.*<br>• *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.* | • ALS-Chemex was used for all the assays conducted up to 25 July 2017. ALS is an independent laboratory service provider and is ISO9001:2000 certificated for the provision of assay and geochemical analytical services and ISO17025 accredited for selected analytical methods.<br>• Subsequent samples generated from the drilling and channel sampling (from the 25 July 2017) were sent to one of the following laboratories: ALS-Chemex (sample preparation in Swakopmund; analysis in Vancouver), Scientific Services (in Cape Town; samples preparation by ACT Laboratories in Windhoek), ACT Laboratories (Canada; samples preparation in Windhoek) or Setpoint Laboratories (Johannesburg; sample preparation by SGS on-site facility).<br>• The sample pulps were analysed by various analytical laboratories using either peroxide fusion or 4-acid digests:<br>- The samples submitted to ALS-Chemex were analysed by method ME-MS89L using a sodium peroxide fusion of a charge followed by digestion of the prill using dilute hydrochloric acid and then determination by ICP-MS for a suite of 50 elements (Ag, As, Ba, Be, Bi, C, Cd, Ce, Co, Cs, Cu, Dy, Er, Eu, Fe, Ga, Gd, Ge, Ho, In, La, Li, Lu, Mn, Mo, Nb, Nd, Ni, Pb, Pr, Rb, Re, Sb, Se, Sm, Sn, Sr, Ta, Tb, Te, Th, Ti, Tl, Tm, U, V, W, Y, Yb, Zn). The detection range for Li is 2-25,000 ppm. Overlimit Li assays were analysed by Li-OG63 using HF-HNO3-HClO4 digestion, HCl Leach - Special open beaker method and has an analytical range of 0.005-10% Li. |

| Criteria | JORC Code explanation | Commentary |
| --- | --- | --- |
| | | - The method used by ACT Laboratories was UT-7 using a sodium peroxide fusion, followed by ICP-MS determination for 55 elements (Al, As, B, Ba, Be, Bi, Ca, Cd, Ce, Co, Cr, Cs, Cu, Dy, Er, Eu, Fe, Ga, Ge, Ho, Hf, In, K, La, Li, Mg, Mn, Mo, Nb, Nd, Ni, Pb, Pr, Rb, S, Sb, Se, Si, Sm, Sn, Sr, Ta, Tb, Te, Th, Ti, Tl, Tm, U, V, W, Y, Yb, Zn). The analytical range for Li is 3-10,000 ppm. Overlimit Li assays were analysed by UT-8 using a peroxide fusion and ICP-OES.<br>- Scientific Services used method ME-42 using a 4-acid microwave digest and determination by ICP-OES for a suite of 45 elements (Ag, Al, As, Ba, Be, Bi, Ca, Cd, Ce, Co, Cr, Cu, Cs, Fe, Ga, Ge, K, La, Li, Mg, Mn, Mo, Na, Ni, P, Pb, Rb, Se, S, Sb, Sc, Se, Sr, Te, Th, Ti, Tl, U, V, W, Y, Zn). The analytical range for Li is 5-25,000 ppm.<br>- Set Point Laboratories used method M448 using a sodium peroxide fusion followed by determination by ICP-MS for 9 elements (Li, Ta, Fe, K, Be, Nb, Rb, Ga, Sn). The analytical range for Li is 0.001-5% Li.<br>• DLE implemented an internal QA/QC protocol comprising the insertion of certified reference materials ("CRM"), blanks and course crush duplicates on a systematic basis amongst the samples shipped to the analytical laboratories. These were inserted at a frequency of 1 blank, 1 CRM and 1 duplicate for every 25 to 30 samples (giving an average of approximately 12 %).<br>• The following CRMs were used by DLE during the exploration programme: AMIS0338; AMIS0339, OREAS 147; OREAS 148 and OREAS 149.<br>• The blank materials used by DLE were AMIS0484, AMIS0439 and blank quartz material sourced from Rubicon. The blank material sourced from Rubicon was only used for a short period at the start of the drilling programme and was discontinued and replaced by AMIS0484 and AMIS0439.<br>• 181 samples originally analysed by Set Point were sent to ALS-Chemex (Canada) for external laboratory checks. A comparison of the results showed acceptable correlation.<br>• None of the samples that were primarily assayed at ALS-Chemex, Scientific Services, or ACT Laboratories were submitted for external check analysis.<br>• The Competent Person considers the sample preparation and analytical procedures used appropriate for the style of mineralisation and the accuracy and precision of the assay results acceptable. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Verification of sampling and assaying* | • *The verification of significant intersections by either independent or alternative company personnel.*<br>• *The use of twinned holes.*<br>• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*<br>• *Discuss any adjustment to assay data.* | • MSA observed the mineralisation in a selection of cores on-site, although no check assaying was completed by MSA. Checks of the logging of the drill holes observed was carried out and subsequent checks of the logs against the core photographs was also completed off-site.<br>• MSA observed and photographed several collar positions and channels in the field, along with rigs that were drilling at the time of the site visit.<br>• Drilling data were stored on-site as both hard and soft copies. Drilling data were validated on-site before being sent to data management at MSA where the data were further validated. When results were received, they were loaded to the central database and shared with various stakeholders via email. QC results were reviewed by on site personnel. Hard copies of assay certificates were stored digitally by the exploration manager.<br>• Black Fire Minerals (who previously held the exploration licence) drilled 12 drill holes in 2010. During the current exploration, the collar positions were located in the field and surveyed using differential GPS. The cores were stored at the Ministry of Mines and Energy's core storage facility in Windhoek and two of the drill holes were relogged to check against the historical data. Verification sampling of selected mineralised intervals (using ¼ core) from two of the drillholes was conducted and the samples were assayed by ALS-Chemex. A comparison of the results showed an acceptable correlation for inclusion of the data into the database used for the Mineral Resource estimate.<br>• The assay data has not been adjusted. Conversion of Li to $Li_2O$ was uses the conversion $Li_2O$ = Li x 2.153. |
| *Location of data points* | • *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*<br>• *Specification of the grid system used.*<br>• *Quality and adequacy of topographic control.* | • All diamond drill holes were down hole surveyed using a Reflex Ez-Trac survey at 50 m intervals. The RC drill holes and any drill holes shorter than 50 m were not surveyed.<br>• The grid system used is UTM 33S/WGS84.<br>• The collar positions of all drill holes were surveyed by C. G. Pieterse Professional Land Surveyors, a registered land surveying company based in Swakopmund, using a differential GPS (DGPS).<br>• A high-resolution aerial drone survey was conducted by C. G. Pieterse Professional Land Surveyors in April 2018 over Helikon, Rubicon and surrounds by C.G. Pieterse in order to obtain updated imagery and a digital terrain model (DTM). The data are of suitable accuracy and detail for use in the Mineral Resource estimate. |

| Criteria | JORC Code explanation | Commentary |
| --- | --- | --- |
| *Data spacing and distribution* | • *Data spacing for reporting of Exploration Results.*<br>• *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.*<br>• *Whether sample compositing has been applied.* | • Drill holes are spaced at between 30 m and 100 m apart along northeast-southwest orientated fence lines spaced approximately 50 m apart over a strike length of approximately 900 m.<br>• The mineralisation appears to be open at depth with the majority of the deepest drillholes having intersected mineralisation. No drillholes were affected by historical workings within the pegmatite. The historical workings created a large cavity underground, the lateral extents of which are known, however the elevation and mining width within the pegmatite are unknown. The historical workings limit the available area for drilling from surface, as drillholes would intersect these workings.<br>• Sample lengths were composited to 2 m. Composites of less than 2 m occur in areas of narrow mineralisation and were retained.<br>• The drilling is considered acceptable to establish confidence in the geological and grade continuity consistent with Inferred Mineral Resources and in some cases Indicated.. |
| *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.*<br>• *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.* | • The majority of the drill holes were drilled at an inclination of between -69° and -73° to the southwest in order to intersect the pegmatite as close to normal to dip and strike as possible. A number of vertical drill holes were also drilled. The deepest DD hole was drilled to a depth of 203 m below surface and the deepest RC hole was drilled to a depth of 126 m below surface. The true thickness will be between 3% and 10% less than the drilled intersection for the vertical drill holes.<br>• Channel samples were taken at a spacing of between 10 m and 50 m and were selectively taken in mineralised zones within the Rubicon Main pit. The selectivity has been dealt with appropriately in the Mineral Resource estimate. |
| *Sample security* | • *The measures taken to ensure sample security.* | • The RC samples were collected and sealed in pre-labelled plastic bags at the drill rig.<br>• The samples were stored on-site until enough samples were prepared to make up a batch for despatch to the laboratory.<br>• The bagged individual samples were put into large rice bags containing several samples and were sealed. The despatch forms were prepared on-site. One copy was inserted with the shipment, one copy sent by email to the analytical laboratory, and one copy was kept for reference purposes.<br>• The samples were transported directly to the relevant laboratory by either by DLE employees or by Jet- X Couriers. |

| Criteria | JORC Code explanation | Commentary |
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| | | • The laboratories reconciled the received samples with the despatch documentation, and any discrepancies were flagged.<br>• Each sample shipment was verified, and a confirmation of shipment receipt and content was emailed to the DLE project manager.<br>• The prepared samples were sealed in boxes and despatched to the relevant assay facility. |
| *Audits or reviews* | • *The results of any audits or reviews of sampling techniques and data.* | • Site visits by the Competent Person were conducted on 24 April 2017, 22-24 May 2017 and 6-8 June 2018. During the site visits checks were carried out on the mapping, drill core quality, accuracy of the logging for both the diamond and RC drilling, location of drill hole collars for the current and historical drilling by Black Fire Minerals. Logging and sampling techniques were also reviewed for the RC, drill core and channel sampling.<br>• The ALS-Chemex preparation facility in Swakopmund was inspected in 2017 and the SGS on-site facility was inspected in 2018. A separate visit to Set Point's analytical facility in Johannesburg was conducted on 9 May 2018.<br>• Checks of the logging against the drill core and core photographs were also completed.<br>• The Competent Person considers that the exploration work conducted by Desert Lion Energy was carried out using appropriate techniques for the style of mineralisation at Rubicon, and that the resulting database is suitable for Mineral Resource estimation. |

## Section 2: Reporting of Exploration Results

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

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Mineral tenement and land tenure status* | • *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*<br>• *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.* | • The Property comprises an Exclusive Prospecting Licence, EPL 5439, covering an area of 300.67 $km^2$ (30,067 ha) and a Mining Licence, ML 204, covering an area of 68.68 $km^2$ (6,868.5 ha). ML 204 is contained entirely within EPL 5439.<br>• The EPL was granted to Mr Thomas K. Mushimba, a Namibian national, on 11 February 2016 and valid for an initial period not exceeding three years. It expired on 10 February 2019 and is currently pending renewal according to the Namibian Mining Cadastre Portal (http://portals.flexicadastre.com/Namibia/ accessed on 24 May 2019). The |

| Criteria | JORC Code explanation | Commentary |
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| | | licence may be renewed for no more than two periods of two years each., Any further renewals are granted at the discretion of the Minister. On the first renewal, the licence holder is obliged to relinquish 25 % of the original licence area and is required to relinquish a further 50 % of the licence area, at the time of renewal, for each subsequent renewal as per section 72 of the Minerals Act, 1992.<br>• The licence covers the commodities Base and Rare Metals, Industrial Minerals and Precious Metals. EPL 5439 was subsequently transferred on 30 January 2017 to !Huni/-Urib Investments (Pty) Ltd, a private Namibian company that was subsequently renamed to Desert Lion Energy (Pty) Ltd ("Desert Lion Energy").<br>• A ten-year Mining Licence (ML 204) was granted to Desert Lion Energy by the Ministry of Mines and Energy on 20 August 2018 for the mining of Base and Rare Metals, Industrial Minerals and Semi-Precious Stones. The mining licence is entirely contained within EPL 5439 and includes the Rubicon and Helikon projects (the Desert Lion Energy Lithium Project) and incorporates the Namibian Government-owned farm, Okangava Ost 72.<br>• DLI owns 80 % of Desert Lion Energy. The remaining 20 % is held by !Huni/-Urib Holdings (Pty) Ltd. ("Huni Holdco").<br>• The surface rights are held by the Government (farms Okongava Ost 72, Otjua 37 and Otjimbingwe 104). The Property (EPL 5439) also includes the privately held Shalom farm (Ombujomenge Portion A and Meyersrust portion 2); Ombujomenge Portion C, Meyersrust -remainder, Levintina, Kaliombo 119 and Otjozundu 36.<br>• Desert Lion Energy received a written waiver of compensation for all exploration and mining related activities from the Ministry of Land Reform, who is responsible for the administration of the Government land in Namibia. |
| *Exploration done by other parties* | • *Acknowledgment and appraisal of exploration by other parties.* | • The pegmatites of the region (including Rubicon and Helikon) have been the subject of a number of geological surveys and research investigations. Initial exploration during the late 1920's and 1930's focused on beryl with Rubicon being proclaimed a mining area in 1951, with mining continuing until 1994. Airborne magnetics and radiometric survey were flown over the area in 1994 as part of the Sysmin programme commissioned by the Namibian Government.<br>• Historical exploration includes: |

| Criteria | JORC Code explanation | Commentary |
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| | | - the drilling of six diamond drill holes by Anglo American in 1968 to the northeast of the main Rubicon pit,<br>- the drilling of 11 underground diamond drill holes by Namibian Lithium in 1997,<br>- sampling (rock chip) and drilling (diamond drilling) by Black Fire Minerals (Pty) Ltd in 2009 and 2010: 51 rock chip samples from Rubicon, 36 rock chip samples from Helikon and 34 further rock chip samples from the immediate area; 12 diamond drill holes at Rubicon and 1 at Helikon,<br>- exploration by LiCore Mining (Pty) Ltd between 2013 and 2015 including: forty in situ rock chip samples and samples from the dumps; a ground Electromagnetic survey utilising a Magneto-Telluric Stratagem EH4 System.<br>• Rubicon was selectively mined from three pits and by room and pillar stoping from the associated underground workings (Rubicon I, Rubicon II and Rubicon III) for petalite, amblygonite, lepidolite, beryl, quartz and accessory pollucite and bismuth and its oxidation products. Mining commenced in the 1950's; however no information on production prior to 1980 is available. Between 1980 and 1994, approximately 14,700 t petalite, 880 t amblygonite, 2,000 t lepidolite and 15 t beryl were produced from Rubicon. |
| *Geology* | • *Deposit type, geological setting and style of mineralisation.* | • The Project is located in the southern Central Zone of the Damara Belt. Many of the economic mineral deposits (gold, base metal and pegmatite hosted rare metal deposits) of the Damara Belt occur within the Central and Northern Zones. Among these deposits are lithium-beryllium, tin and tourmaline-bearing Lithium-Caesium-Tantalite ("LCT") family pegmatites of the Karibib Pegmatite Belt which have been intruded into the tightly folded supracrustal rocks of the Damara Supergroup.<br>• The pegmatites are classified as LCT Complex Lepidolite-Petalite pegmatites (with minor amblygonite).<br>• The 505 Ma, Rubicon Pegmatite comprises two ellipsoidal well zoned, lithium-mineralised zones developed around two quartz cores and surrounded by a zone of quartzo-feldspathic pegmatite. The basal contact of the main Rubicon pegmatite is with granodiorite and the hanging wall to the pegmatite grades into a pegmatitic granite whose grain size decreases progressively away from the pegmatite-granite contact. A number of pegmatite bodies have been identified in the hanging wall and footwall to the main pegmatite that form a series of pegmatite sills. |

| Criteria | JORC Code explanation | Commentary |
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| | | • The main Rubicon pegmatite body forms a prominent ridge which strikes northwest over a distance of about 700 m and dips between 20° and 65° northeast and is between 25 and 30 m thick. In the Rubicon I pit, the dips average about 46° and flatten to about 18 to 25° at depth. In the Rubicon II pit, the dips are ~30° and flatten to about 8 to 12° at 20 m depth.<br>• The following zones (from the margin to the centre) have been identified in the Rubicon Pegmatite namely: Border Zone, Wall Zone, Outer Intermediate Zone, Inner Intermediate Zone (containing lepidolite), Outer Core Zone (containing Petalite and Lepidolite subzones) and Inner Core Zone (which contains the Quartz Core and a Petalite Zone). |
| *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:*<br>  ○ *easting and northing of the drill hole collar*<br>  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*<br>  ○ *dip and azimuth of the hole*<br>  ○ *down hole length and interception depth*<br>  ○ *hole length.*<br>• *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.* | • Exploration results are not being reported.<br>• Refer to the supporting document – "NI 43-101 Technical Report, Preliminary Economic Assessment for Desert Lion Energy Lithium Project" with report date 23 November 2018 and effective date 1 October 2018. Also available at www.sedar.com. |
| *Data aggregation methods* | • *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*<br>• *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.*<br>• *The assumptions used for any reporting of metal equivalent values should be clearly stated.* | • Exploration results are not being reported, therefore no data was aggregated for reporting purposes.<br>• No equivalent values used or reported. |
| *Relationship between mineralisation widths and* | • *These relationships are particularly important in the reporting of Exploration Results.*<br>• *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* | • Exploration results are not being reported.<br>• There is no relationship between mineralisation width and grade.<br>• The geometry of the mineralisation is reasonably well constrained and most drill holes inclined to intersect the pegmatite at approximately 90°, however |

| Criteria | JORC Code explanation | Commentary |
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| *intercept lengths* | • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').* | the pegmatite is not of uniform thickness nor orientation. Consequently, most drilling intersections do not represent the exact true thickness of the intersected pegmatite. The true thickness will be between 3% and 10% less than the drilled intersection for the vertical drill holes. |
| *Diagrams* | • *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.* | • Exploration results are not being reported.<br>• Refer to the supporting document – "NI 43-101 Technical Report, Preliminary Economic Assessment for Desert Lion Energy Lithium Project" with report date 23 November 2018 and effective date 1 October 2018. Also available at www.sedar.com. |
| *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.* | • Exploration results are not being reported |
| *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.* | • Mineralogical investigations at Rubicon (of 121 drill core samples) have identified the main lithium minerals present as lithium micas (comprising mainly lepidolite) and petalite; cookeite is present as an alteration of the petalite.<br>• The lithium minerals identified by the XRD are (in order of abundance) lepidolite, petalite, cookeite and minor spodumene. The cookeite is only present in samples containing petalite and its content is directly proportional to the petalite content and has been interpreted to be an alteration product of the petalite.<br>• Within the mineralised zones approximately 80 % of the $Li_2O$ is contained in the lepidolite, 15 % in the petalite and the balance in cookeite (an alteration product of the petalite).<br>• The proportion of lepidolite relative to other lithium minerals increases with $Li_2O$ content. |
| *Further work* | • *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*<br>• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.* | • MSA is unaware of any planned future work. |

## Section 3: Estimation and Reporting of Mineral Resources

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

| Criteria | JORC Code explanation | Commentary |
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| *Database integrity* | • *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.*<br>• *Data validation procedures used.* | • The validation process consisted of:<br>- Examining the sample assay, collar survey, down-hole survey and geology data to ensure that the data were complete and reasonable for all drillholes and channel samples,<br>- Examining the de-surveyed data in three dimensions to check for spatial errors,<br>- Examination of the assay and density data in order to ascertain whether they were within expected ranges,<br>- Checks for "From-To" errors, to ensure that sample data did not overlap one another or that there were no unexplained gaps between samples.<br>• The data validation exercise revealed the following:<br>- As at the effective date of this Mineral Resource estimate, complete data were available for RDH001 to RDH087 (diamond drillholes), RCS001 to RCS035 (channels of the mineralisation of the high wall of the pit), RCDH001 to RCDH019 (diamond drillholes), RRCH001 to RRCH024 (reverse circulation) and RDD01 to RDD12 (diamond drillholes),<br>- QAQC was considered acceptable by the CP,<br>- Surveys of the collar positions were recorded by differential GPS undertaken by C.G. Pieterse Land Surveyors,<br>- Downhole surveys were completed at intervals of 50 m,<br>- There is no core recovery or rock quality data for the Black Fire holes. The Benzu and DLE drillholes have >95 % core recoveries. The RC recoveries average 70 % (using a SG of 2.6 and RC hole diameter of 140 mm),<br>- Holes that were located outside the area covered by the topographic data or that did not form part of the project area were removed from the data before geological modelling commenced,<br>- Holes shallower than 50 m which did not include downhole survey data, were considered not to deviate from the planned dip and azimuth and thus no down hole surveys were conducted on the shallow holes and the planned azimuth and dip were used as the down hole survey.<br>- Any duplicated sampling intervals were removed.<br>- There were no unresolved errors relating to missing intervals and overlaps |

| Criteria | JORC Code explanation | Commentary |
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| | | in the drillhole logging data,<br>- No default values were found except for detection limit data,<br>- Examination of the drillhole data in three dimensions showed that the collars of the drillholes generally plotted in their expected positions, those that did not were queried with DLE and corrected,<br>- Examination of the drillhole data in three dimensions showed that the downhole surveys of the drillholes plotted in their expected positions, those that did not were queried with DLE and corrected,<br>- 294 SG determinations exist in the database for Rubicon Main. Some of them fell outside of the expected ranges for the rock types and mineralisation at Rubicon Main and were removed from the estimation data.<br>- Anomalous high-grade assays were checked and a capping method was applied for these outliers before estimation was completed. |
| *Site visits* | • *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.*<br>• *If no site visits have been undertaken indicate why this is the case.* | • Site visits by the Competent Person were conducted on 24 April 2017, 22-24 May 2017 and 6-8 June 2018. During the site visits, checks were carried out on the mapping, drill core quality, accuracy of the logging for both the diamond and RC drilling, location of drill hole collars for the current and historical drilling by Black Fire Minerals. Logging and sampling techniques were also reviewed for the RC, drill core and channel sampling. |
| *Geological interpretation* | • *Confidence in (or conversely, the uncertainty of ) the geological interpretation of the mineral deposit.*<br>• *Nature of the data used and of any assumptions made.*<br>• *The effect, if any, of alternative interpretations on Mineral Resource estimation.*<br>• *The use of geology in guiding and controlling Mineral Resource estimation.*<br>• *The factors affecting continuity both of grade and geology.* | • The mineralised intersections in drill core are clearly discernible. The mineralisation of economic interest is found in zoned complex petalite-lepidolite-amblygonite bearing LCT pegmatite sills and sub vertical pegmatites. The pegmatites also contain minor amounts of niobium and tantalum, beryl, caesium and rubidium mineralisation.<br>• The main lithium minerals present are lithium micas (comprising lepidolite) and petalite.<br>• The Mineral Resource is interpreted to occur as mineralised domains (internal lithologies) within a tabular pegmatite, dipping 27° to the north east.<br>• A three dimensional wireframe model was created for the four domains of mineralisation based on a grade threshold of 0.20 % $Li_2O$ as well as the geological logs. |
| *Dimensions* | • *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower* | • The area defined as a Mineral Resource extends approximately 400 m in the down dip direction between 600 m and 1400 m along strike. The main |

| Criteria | JORC Code explanation | Commentary |
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| | *limits of the Mineral Resource.* | mineralised domain of the Mineral Resource is approximately 6 m thick, although it can vary from 1 m to 24 m.<br>• The Undifferentiated Pegmatite that encompasses the three internal lithology zones is much thicker, averaging 20 m and up to 71 m at its thickest.<br>• The two lower-grade domains that occur as internal lithologies (quartz core (QC) and disseminated petalites (DPET) are thinner with average thicknesses of 5 m each. |
| *Estimation and modelling techniques* | • *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.*<br>• *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.*<br>• *The assumptions made regarding recovery of by-products.*<br>• *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).*<br>• *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.*<br>• *Any assumptions behind modelling of selective mining units.*<br>• *Any assumptions about correlation between variables.*<br>• *Description of how the geological interpretation was used to control the resource estimates.*<br>• *Discussion of basis for using or not using grade cutting or capping.*<br>• *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.* | • The mineralisation was modelled as four domains. Hard boundaries were used to select data for estimation in order to honour the sharp nature of the mineralisation contacts and pegmatite boundaries.<br>• Sample lengths were composited to 2 m. Composites of less than 2 m occurred in areas of narrow mineralisation and were retained.<br>• Two populations of $Li_2O$ mineralisation occur, a higher and lower grade population. The data were separated into the four geological/statistical populations based on a recoding exercise which took both the geological logging and assay data into account. The histograms are positively skewed.<br>• Experimental semi-variograms were calculated from composite data for $Li_2O$ and $Ta_2O_5$ for all domains. Semi-variograms were calculated in the plane of mineralisation. Normalised semi-variograms were modelled with either one or two spherical structures. There were insufficient data to calculate and model robust semi-variograms for the DPET and QC domains.<br>• Top caps were applied to outlier values. Caps were applied to $Li_2O$ % in the Undifferentiated Pegmatite and $Ta_2O_5$ ppm in the Massive Lepidolite domain.<br>• 35 relatively close-spaced channel samples were taken on the high wall of the open pit at Rubicon Main. Outside of the channel samples, the grid is approximately regular.<br>• 25 mN by 25 mE by 5 mRL parent cells, which were divided into sub-cells to accurately fill the geological model.<br>• Grade variables were estimated into domains. Ordinary kriging was used to estimate $Li_2O$ and $Ta_2O_5$ into the Undifferentiated Pegmatite and Massive Lepidolite domains using their respective semi-variogram models. As semi-variograms could not be modelled for the Disseminated Petalite and Quartz Core domains, and since these are both low-grade domains, the semi-variogram model for the low-grade Undifferentiated Pegmatite was applied for estimation by ordinary kriging in these two domains. $Fe_2O_3$ was estimated |

| Criteria | JORC Code explanation | Commentary |
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| | | into the model by means of inverse distance weighting.<br>• The search distance and the rotation angles that defined the search ellipses were based on the semi-variogram models for each variable in the respective domains.:<br>- MLEP- $Li_2O$: The search distance was 39 m striking 32 degrees and dipping 15 degrees to the north. Based on the minimum number of composites required for an estimate, i.e. 6 and the maximum number 24.<br>- MLEP - $Ta_2O_5$ and $Fe_2O_3$: The search distance was 100 m striking 91 degrees and dipping 8 degrees to the north. Based on the minimum number of composites required for an estimate, i.e. 6 and the maximum number 24.<br>- Pegmatite - $Li_2O$: The search distance was 137 m striking 32 degrees and dipping 15 degrees to the north. Based on the minimum number of composites required for an estimate, i.e. 6 and the maximum number 24.<br>- Pegmatite - $Ta_2O_5$ and $Fe_2O_3$: The search distance was 100 m striking 91 degrees and dipping 8 degrees to the north. Based on the minimum number of composites required for an estimate, .i.e. 6 and the maximum number 24. |
| *Moisture* | • *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.* | • Tonnages were estimated on natural moisture levels. |
| *Cut-off parameters* | • *The basis of the adopted cut-off grade(s) or quality parameters applied.* | • The Rubicon Main Mineral Resource is based on a cut-off grade of 0.2% $Li_2O$. Mining is expected to be by open-pit mining and, given high-level cost and revenue assumptions, the CP considers that the mineralisation at this cut-off grade will satisfy reasonable prospects for eventual economic extraction (RPEEE). |
| *Mining factors or assumptions* | • *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.* | • It was assumed that the deposit will be mined by open-pit methods. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Metallurgical factors or assumptions* | • *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.* | • The lithium mineralisation occurs as lepidolite, petalite, cookeite and trace amounts of spodumene. The proportion of cookeite and petalite are directly proportional in sampled as the cookeite is considered an alteration product of petalite. Each of these minerals is amenable to standard processing techniques. |
| *Environmental factors or assumptions* | • *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.* | • To the best of the CP’s knowledge there are no environmental, permitting, legal, tax, socio-political, marketing or other relevant issues which may materially affect the Mineral Resource reported herein. |
| *Bulk density* | • *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.*<br>• *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.*<br>• *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.* | • Benzu conducted SG determinations on various rock types during the early 2017 campaign. Three lepidolite bearing samples were submitted to ALS Chemex for SG determination by water displacement method. Benzu also sent 12 quarter core samples from the Black Fire campaign to ALS Chemex for SG determination using the water displacement method.<br>• During the 2017 campaign, DLE conducted SG determinations by Archimedes Principle on 239 core samples. A number of SGs were also determined by ALS Chemex on core samples. |
| *Classification* | • *The basis for the classification of the Mineral Resources into varying confidence categories.*<br>• *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).*<br>• *Whether the result appropriately reflects the Competent Person’s view of the deposit.* | • The mineralisation was classified as Indicated Mineral Resources if block estimates occur within the 50 m drilling grid. The remainder of the interpreted model within the sparser drilled area was classified as Inferred Mineral Resources with a maximum extrapolation from a drillhole of 50 m down dip. |
| *Audits or reviews* | • *The results of any audits or reviews of Mineral Resource estimates.* | • The following review work was completed by MSA:<br>- Inspection of a small proportion of the Benzu, Black Fire and DLE cores used in the Mineral Resource estimate, |

| Criteria | JORC Code explanation | Commentary |
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| | | - Database spot check,<br>- Inspection of some drill sites. |
| *Discussion of relative accuracy/ confidence* | • *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.*<br>• *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.*<br>• *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.* | • The Inferred Mineral Resource estimates should be considered global in nature. |

**JORC CODE, 2012 Edition Table 1 - Rubicon Slimes Dump**

**Section 1 Sampling Techniques and Data**

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

| Criteria | JORC Code explanation | Commentary |
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| *Sampling techniques* | • *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*<br>• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*<br>• *Aspects of the determination of mineralisation that are Material to the Public Report.*<br>• *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.* | • A combination of reverse circulation drilling and pitting has been utilised to sample the slimes dump. This method is recognised as providing good quality information and samples of fine tailings dumps. Two diamond drill holes were initially drilled to test whether the method could produce a representative sample, but the poor recoveries proved this method to be inappropriate.<br>• Pits <0.5 m deep were not sampled and due to safety concerns pits >4 m deep were not sampled. In the latter case, an RC hole was drilled and sampled.<br>• The pits were sampled by channel sampling one of the sidewalls of the excavated pit at 1 m intervals, with a minimum sample length of 0.4 m and a maximum length of 1.45 m. The sample was split in the field with a riffle splitter to produce a sample of between 3 and 5 kg, which was then bagged and ticketed.<br>• The samples collected from the RC drilling were collected at 1 m intervals to a maximum depth of between 3 m and 6 m. The samples were split using a riffle splitter mounted under the cyclone at a 90:10 split to obtain two samples. The smaller samples were submitted for assay. A reference sample of each of the samples submitted was kept on site. The material from below the original pre-dump surface was not assayed. |
| *Drilling techniques* | • *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).* | • The RC drilling was used a single rig, drilling 140 mm diameter drill holes.<br>• The drill holes and pits are all vertical on a 25 m x 25 m grid across the surface of the dump.<br>• A total of 42 pits (of which 29 were sampled) were excavated to depths of between 0.2 m and 4.5 m and were dug by a TLB excavator to the base of the dump.<br>• A total of 8 RC holes (of which 7 were sampled) were drilled to the base of the dump. |
| *Drill sample recovery* | • *Method of recording and assessing core and chip sample recoveries and results assessed.*<br>• *Measures taken to maximise sample recovery and ensure representative nature* | • The recoveries from the holes were not recorded. Due to the fine nature and reasonably homogenous nature of the material, the samples collected are considered to be representative. |

| Criteria | JORC Code explanation | Commentary |
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| | *of the samples.*<br>• *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.* | • The sampling of the pits was by channel sampling the pit side wall. The pits were between 0.5 m and 4 m deep.<br>• No additional methods to improve the sample recovery were implemented. |
| *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.*<br>• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*<br>• *The total length and percentage of the relevant intersections logged.* | • Pits and RC material were logged by qualified geologists on paper logs that were captured into validated Excel spreadsheets and then uploaded into a Maxwell™ Datashed database<br>• The pit and RC material was qualitatively logged for geology, moisture content and colour. The Datashed database was managed by MSA during the exploration programme and a complete copy of the data was handed over to the client at the end of the programme. The parameters recorded in the logging are adequate to support Mineral Resource estimation.<br>• The entire length of all drill holes and pits were logged and all pits were photographed.<br>• A sample of the material was taken and retained in a chip tray. The samples have been geologically logged at 1 m intervals. Sample moisture content, colour and lithologies were recorded. |
| *Sub-sampling techniques and sample preparation* | • *If core, whether cut or sawn and whether quarter, half or all core taken.*<br>• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*<br>• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*<br>• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*<br>• *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.*<br>• *Whether sample sizes are appropriate to the grain size of the material being sampled.* | • The samples were collected from the RC drilling at 1 m intervals and were split using a riffle splitter mounted under the cyclone at a 90:10 split to obtain two samples. The smaller sample was of a mass of between 2 and 5 kg. A reference sample of each of the samples submitted was kept on site.<br>• The channel samples from the pit sampling were taken at 1 m intervals, with a minimum sample length of 0.4 m and a maximum length of 1.45 m. The sample was split in the field with a riffle splitter to produce a sample of 3-5 kg which was then bagged and ticketed.<br>• The samples were crushed and milled (85 %, passing -75 um) at the ALS Laboratory in Swakopmund. Crush duplicates, blanks and standard material (produced by AMIS) were inserted in identical packets to the samples, one per 20 field samples. This was done under the supervision of a qualified geologist or experienced geotechnician.<br>• The samples produced from the diamond core drilling, RC drilling and channel sampling up to July 2017 were prepared at the ALS-Chemex preparation facility at Swakopmund using the PREP-31 method. Any moist samples were dried and then crushed to 70 % passing 2 mm using jaw crushers. The crushed material was split using a riffle splitter to obtain a 250 g subsample. The subsamples were then pulverized using a two-component |

| Criteria | JORC Code explanation | Commentary |
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| | | ring mill (ring and puck mill) or a single component ring mill (flying disk mill) to 85 % passing 200 mesh (-75 µm). An aliquot of the pulverized sample was put into an envelope and sealed and submitted to ALS Vancouver for analysis.<br>• All sampling was carried out in 2017 |
| *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.*<br>• *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.*<br>• *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.* | • ALS-Chemex was used for all the assays. ALS is an independent laboratory service provider and is ISO9001:2000 certificated for the provision of assay and geochemical analytical services and ISO17025 accredited for selected analytical methods.<br>• The sample pulps were analysed by ALS-Chemex by method ME-MS89L using a sodium peroxide fusion of a charge followed by digestion of the prill using dilute hydrochloric acid and then determination by ICP-MS for a suite of 50 elements (Ag, As, Ba, Be, Bi, C, Cd, Ce, Co, Cs, Cu, Dy, Er, Eu, Fe, Ga, Gd, Ge, Ho, In, La, Li, Lu, Mn, Mo, Nb, Nd, Ni, Pb, Pr, Rb, Re, Sb, Se, Sm, Sn, Sr, Ta, Tb, Te, Th, Ti, Tl, Tm, U, V, W, Y, Yb, Zn). The detection range for Li is 2-25,000 ppm. Overlimit Li assays were analysed by Li-OG63 using HF-HNO3-HClO4 digestion, HCl Leach - Special open beaker method and has an analytical range of 0.005-10 % Li.<br>• DLE implemented an internal QA/QC protocol comprising the insertion of certified reference materials ("CRM"), duplicates and blanks on a systematic basis. These were inserted at a frequency of 1 blank, 1 CRM and 1 duplicate for every 25 to 30 samples (giving an average of approximately 12 %).<br>• The following CRMs were used by DLE during the exploration programme: AMIS0338 and AMIS0339.<br>• The blank materials used by DLE were AMIS0484, AMIS0439 and blank quartz material sourced from Rubicon. The blank material sourced from Rubicon was only used for a short period at the start of the drilling programme and was discontinued and replaced by AMIS0484 and AMIS0439.<br>• None of the samples that were primarily assayed at ALS-Chemex were submitted for external check analysis.<br>• The Competent Person considers the sample preparation and analytical procedures to be appropriate for the style of mineralisation and the accuracy and precision of the assay results acceptable. |
| *Verification of sampling and assaying* | • *The verification of significant intersections by either independent or alternative company personnel.*<br>• *The use of twinned holes.* | • MSA observed the mineralisation in some of the pits on the dumps. No check assaying was completed by MSA.<br>• Checks of the logging against pit photographs were completed. |

| Criteria | JORC Code explanation | Commentary |
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| | • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*<br>• *Discuss any adjustment to assay data.* | • MSA observed and photographed several collar positions in the field at the time of the site visit.<br>• Drilling data is stored on-site as both hard and soft copy. Drilling data was validated on-site before being sent to data management at MSA where the data were further validated. When results were received, they were loaded into the central database and shared with various stakeholders via email. QC results were reviewed by on-site personnel. Hard copies of assay certificates were stored digitally by the exploration manager.<br>• The assay data has not been adjusted. Conversion of Li to $Li_2O$ uses the conversion $Li_2O$ = Li x 2.153. |
| *Location of data points* | • *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*<br>• *Specification of the grid system used.*<br>• *Quality and adequacy of topographic control.* | • The grid system used is UTM 33S/WGS84.<br>• The collar positions of all drill holes were surveyed by C. G. Pieterse Professional Land Surveyors, a registered land surveying company based in Swakopmund, using a differential GPS (DGPS).<br>• A high-resolution aerial drone survey was conducted over the area by C. G. Pieterse Professional Land Surveyors in April 2018 over Helikon, Rubicon and surrounds by C.G. Pieterse in order to obtain updated imagery and a digital terrain model (DTM). The data are of suitable accuracy and detail for use in the Mineral Resource estimate. |
| *Data spacing and distribution* | • *Data spacing for reporting of Exploration Results.*<br>• *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.*<br>• *Whether sample compositing has been applied.* | • RC drill holes and pits are spaced on a 25 m x 25 m grid across the mapped aerial extent of the dump.<br>• The pits and drill holes were stopped at the base of the dump.<br>• No sample compositing has been applied and assays were completed for the 1 m RC samples.<br>• The drilling and pit sampling grid is considered acceptable to establish reasonable confidence in the geological and grade continuity consistent with Inferred and Indicated Mineral Resources. |
| *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.*<br>• *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.* | • The drill holes and pits are vertical and depths ranged between 0.2 m and 6 m.<br>• No sampling bias exists as a result of the orientation of the drill holes and pits. |
| *Sample security* | • *The measures taken to ensure sample security.* | • The RC samples were collected and sealed in pre-labelled plastic bags at the drill rig.<br>• The samples were stored on-site until enough samples were prepared to |

| Criteria | JORC Code explanation | Commentary |
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| | | make up a batch for despatch to the laboratory.<br>• The bagged individual samples were put into large rice bags containing several samples and sealed. The despatch forms were prepared on site. One copy was inserted with the shipment, one copy was sent by email to the analytical laboratory, and one copy was kept for reference purposes.<br>• The samples were transported directly to the relevant laboratory by either Desert Lion Energy employees or by Jet- X Couriers.<br>• The laboratories reconciled the received samples with the despatch documentation, and any discrepancies were flagged.<br>• Each sample shipment was verified and a confirmation of shipment receipt and content was emailed to the Desert Lion Energy project manager.<br>• The prepared samples were sealed in boxes and despatched to the relevant assay facility. |
| *Audits or reviews* | • *The results of any audits or reviews of sampling techniques and data.* | • Site visits by the Competent Person were conducted on 24 April 2017 and 22-24 May 2017. During the site visits, checks were carried out on the drilling and sampling quality.<br>• The ALS-Chemex preparation facility in Swakopmund was inspected 2017.<br>• The Competent Person considers that the exploration work conducted by Desert Lion Energy was carried out using appropriate techniques for the style of mineralisation at the fine tailings dump at Rubicon, and that the resulting database is suitable for Mineral Resource estimation. |

## Section 2 Reporting of Exploration Results

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

| Criteria | JORC Code explanation | Commentary |
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| *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.*<br>• *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.* | • The Property comprises an Exclusive Prospecting Licence, EPL 5439, covering an area of 300.67 $km^2$ (30,067 ha) and a Mining Licence, ML 204, covering an area of 68.685 $km^2$ (6,868.5 ha). ML 204 is contained entirely within EPL 5439.<br>• The EPL was granted to Mr Thomas K. Mushimba, a Namibian national, on 11 February 2016 and was valid for an initial period not exceeding three years. It expired on 10 February 2019 and is currently pending renewal (according the Namibian Mining Cadastre Portal (http://portals.flexicadastre.com/Namibia/) accessed on 24 May 2019). The licence may be renewed for no more than two |

| Criteria | JORC Code explanation | Commentary |
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| | | periods of two years each.Any further renewals are granted at the discretion of the Minister. On the first renewal, the licence holder is obliged to relinquish 25 % of the original licence area and is required to relinquish a further 50 % of the licence area, at the time of renewal, for each subsequent renewal as per section 72 of the Minerals Act, 1992.<br>• The licence covers the commodities; Base and Rare Metals, Industrial Minerals and Precious Metals. EPL 5439 was subsequently transferred on 30 January 2017 to !Huni/-Urib Investments (Pty) Ltd, a private Namibian company that was subsequently renamed to Desert Lion Energy (Pty) Ltd ("Desert Lion Energy").<br>• A ten-year Mining Licence (ML 204) was granted to Desert Lion Energy by the Ministry of Mines and Energy on 20 August 2018 for the mining of Base and Rare Metals, Industrial Minerals and Semi-Precious Stones. The mining licence is entirely contained within EPL 5439 and includes the Rubicon and Helikon projects (the Desert Lion Energy Lithium Project) and incorporates the Namibian Government-owned farm, Okangava Ost 72.<br>• DLI owns 80 % of Desert Lion Energy. The remaining 20 % is held by !Huni/-Urib Holdings (Pty) Ltd. ("Huni Holdco") .<br>• The surface rights are held by the Government (farms Okongava Ost 72, Otjua 37 and Otjimbingwe 104). The Property (EPL 5439) also includes the privately held Shalom farm (Ombujomenge Portion A and Meyersrust portion 2); Ombujomenge Portion C, Meyersrust -remainder, Levintina, Kaliombo 119 and Otjozundu 36.<br>• Desert Lion Energy received a written waiver of compensation for all exploration and mining related activities from the Ministry of Land Reform, who is responsible for the administration of the Government land in Namibia. |
| *Exploration done by other parties* | • *Acknowledgment and appraisal of exploration by other parties.* | • Historical exploration includes:<br>- exploration by LiCore Mining (Pty) Ltd between 2013 and 2015 including: samples from the dumps. |
| *Geology* | • *Deposit type, geological setting and style of mineralisation.* | • The Project is located in the southern Central Zone of the Damara Belt. Many of the economic mineral deposits (gold, base metal and pegmatite hosted rare metal deposits) of the Damara Belt occur within the Central and Northern Zones. Among these deposits are lithium-beryllium, tin and tourmaline-bearing Lithium-Caesium-Tantalite ("LCT") family pegmatites of the Karibib Pegmatite Belt which have been intruded into the tightly folded supracrustal |

| Criteria | JORC Code explanation | Commentary |
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| | | rocks of the Damara Supergroup.<br>• The Rubicon and Helikon pegmatites are classified at LCT Complex Lepidolite-Petalite pegmatites (with minor amblygonite).<br>• The waste rock from the mining of the Rubicon Pegmatite was dumped onto a number of rock waste dumps around the mining operation. The petalite was the focus of the mining and the lepidolite bearing waste rock was discarded.<br>• In the 1990's some of the lepidolite bearing waste rock was milled and processed in an attempt to recover the lepidolite and the fine tailings material discarded onto the dump on the eastern end of the Rubicon Pit that constitutes the Rubicon Slimes Dump. |
| *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:*<br>  ○ *easting and northing of the drill hole collar*<br>  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*<br>  ○ *dip and azimuth of the hole*<br>  ○ *down hole length and interception depth*<br>  ○ *hole length.*<br>• *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.* | • Exploration results are not being reported.<br>• Refer to the supporting document – "NI 43-101 Technical Report, Preliminary Economic Assessment for Desert Lion Energy Lithium Project" with report date 23 November 2018 and effective date 1 October 2018. Also available at www.sedar.com |
| *Data aggregation methods* | • *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*<br>• *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.*<br>• *The assumptions used for any reporting of metal equivalent values should be clearly stated.* | • Exploration results are not being reported, therefore no data was aggregated for reporting purposes.<br>• No equivalent values used or reported. |
| *Relationship between mineralisation* | • *These relationships are particularly important in the reporting of Exploration Results.*<br>• *If the geometry of the mineralisation with respect to the drill hole angle is* | • Exploration results are not being reported.<br>• There is no relationship between mineralisation width and grade.<br>• The geometry of the dump is well constrained and all of the pits and drill |

| Criteria | JORC Code explanation | Commentary |
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| *widths and intercept lengths* | *known, its nature should be reported.*<br>• *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').* | holes are vertical. The intersections represent the true thickness of the dump. |
| *Diagrams* | • *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.* | • Exploration results are not being reported. Refer to the supporting document – "NI 43-101 Technical Report, Preliminary Economic Assessment for Desert Lion Energy Lithium Project" with report date 23 November 2018 and effective date 1 October 2018. Also available at www.sedar.com . |
| *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.* | • Exploration results are not being reported. |
| *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.* | • Mineralogical investigations were conducted on a sample (sample RRS023) submitted to SGS in 2017. This was completed as part of a batch of 7 samples submitted to SGS for mineralogical characterisation.<br>• The lithium minerals identified by the XRD are lepidolite and minor petalite and traces of montebrasite (a lithium bearing phosphate). This is consistent with the lithium mineralogy of the Rubicon pegmatite and also with the preferential extraction of the petalite from the material mined. |
| *Further work* | • *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*<br>• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.* | • MSA is not aware of any planned further work. |

## Section 3 Estimation and Reporting of Mineral Resources

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

| Criteria | JORC Code explanation | Commentary |
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| *Database integrity* | • *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.*<br>• *Data validation procedures used.* | • The database used for the Mineral Resource estimate consists of:<br>  • Information from reverse circulation holes and pit samples<br>  • collar surveys<br>  • sampling and assay data<br>  • geology logs |

| Criteria | JORC Code explanation | Commentary |
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| | | • a digital terrain model (DTM) based on a drone survey containing contours at 0.5 m elevations that was imported into Leapfrog for use in the geological modelling.<br>• The principal sources of information used for the estimate include raw data generated during the course of the exploration drilling programmes conducted by Benzu and DLE between 2016 and 30 June 2017. The Mineral Resource estimate was based on lithium, tantalum and iron assays and density determinations obtained from 9 reverse circulation holes and 36 pit samples. The pit sample and the drillholes were planned to intersect the dump at a spacing of between 5 m and 25 m apart, reverse circulation drilling was planned in areas where the slimes were considered too thick to be feasible for pitting. The data available up to 30 June 2017 was used for this Mineral Resource estimate. |
| *Site visits* | • *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.*<br>• *If no site visits have been undertaken indicate why this is the case.* | • Site visits by the Competent Person were conducted on 24 April 2017 and 22-24 May 2017. During the site visits, checks were carried out on the drilling and sampling quality.<br>• The ALS-Chemex preparation facility in Swakopmund in was inspected 2017. |
| *Geological interpretation* | • *Confidence in (or conversely, the uncertainty of ) the geological interpretation of the mineral deposit.*<br>• *Nature of the data used and of any assumptions made.*<br>• *The effect, if any, of alternative interpretations on Mineral Resource estimation.*<br>• *The use of geology in guiding and controlling Mineral Resource estimation.*<br>• *The factors affecting continuity both of grade and geology.* | • Since the estimate is for a slimes dump, no mineralized zones or lithological domains were considered, and the dump was therefore estimated as a single domain. |
| *Dimensions* | • *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.* | • The area defined as a Mineral Resource extends approximately 225 m by 250 m. It is on average 1.6 m thick, but can vary from less than 1 m to 15 m thick in areas. |
| *Estimation and modelling techniques* | • *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.*<br>• *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.*<br>• *The assumptions made regarding recovery of by-products.* | • No extreme grades were identified thus no capping or cutting was required.<br>• No domains were identified within the slimes dump.<br>• A maximum extrapolation distance of 50 m was utilised away from data points.<br>• No check estimates, or previous estimates or mine production was available.<br>• Estimation of deleterious elements were not estimated.<br>• Sample lengths were composited over the full thickness of the dump.<br>• One population of $Li_2O$ mineralization occurs and the histograms are positively skewed for all variables.<br>• No top caps were applied. |

| Criteria | JORC Code explanation | Commentary |
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| | • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).*<br>• *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.*<br>• *Any assumptions behind modelling of selective mining units.*<br>• *Any assumptions about correlation between variables.*<br>• *Description of how the geological interpretation was used to control the resource estimates.*<br>• *Discussion of basis for using or not using grade cutting or capping.*<br>• *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.* | • Data is fairly uniformly spaced, therefore no clustering is apparent.<br>• 20 mN by 20 mE by 15 mRL three dimensional block models. The blocks were divided into sub-cells to better represent the volume of the slimes dump.<br>• It is assumed that the whole slimes dump will be mined and thus no SMU was needed to be identified.<br>• Grade variables were estimated from full width composite by the inverse distance weighting estimator (power of two) into parent cells. A minimum number of 4 composites were required for estimation up to a maximum of 8 composites.<br>• The estimation techniques have been deemed appropriate.<br>• The estimates were validated by:<br>  • Visual examination of the input data against the block model estimates,<br>  • Swath plots,<br>  • Comparison of the input data statistics against the model statistics.<br>• The block model was assessed visually in sections to ensure that the drillhole composite grades were locally well represented by the model. The model validated reasonably well against the data, the high- and low-grade areas are well represented by the model. Examples of sections showing the block model and drillholes shaded by Li2O % |
| *Moisture* | • *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.* | • Tonnages were estimated on a dry basis. |
| *Cut-off parameters* | • *The basis of the adopted cut-off grade(s) or quality parameters applied.* | • The lowest $Li_2O$ block estimate is >0.20% $Li_2O$ which MSA considers as having reasonable prospects for eventual economic extraction, particularly given the anticipated low-cost bulk mining and non-selective nature of mining the slimes. The total volume of the slimes dump is therefore reported as a Mineral Resource |
| *Mining factors or assumptions* | • *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.* | • Tailings are typically mined by low cost bulk mining or by hydraulic monitoring. |

| Criteria | JORC Code explanation | Commentary |
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| *Metallurgical factors or assumptions* | • *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.* | • The lithium mineralisation occurs as lepidolite, petalite, cookeite and trace amounts of spodumene. The proportion of cookeite and petalite are directly proportional in samples as the cookeite is considered an alteration product of petalite. Each of these minerals is amenable to standard processing techniques. |
| *Environmen-tal factors or assumptions* | • *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.* | • There are no environmental factors or assumptions known by the CP that would hinder the progress of this project. |
| *Bulk density* | • *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.*<br>• *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.*<br>• *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.* | • During the 2017 campaign Benzu conducted SG measurements by Mass/Volume on 45 samples. The measurements were taken in situ using a 10x10x10cm square tube knocked into the sidewall of the pits. The material taken out was then weighed, dried and an air-dried weight taken, and the density determined on the air-dried material.<br>• A bulk density value of 1.53 $t/m^3$ was assigned to all material in the slimes dump block model. |
| *Classification* | • *The basis for the classification of the Mineral Resources into varying confidence categories.*<br>• *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).*<br>• *Whether the result appropriately reflects the Competent Person's view of the deposit.* | • The slimes dump was classified as Indicated Mineral Resources if block estimates occur within the 25 m drilling grid. The remainder of the volume within the sparser drilled area was classified as Inferred Mineral Resources with a maximum extrapolation distance of 50 m from a drillhole.<br>• The classification appropriately reflects the Competent Person's view of the deposit. |
| *Audits or reviews* | • *The results of any audits or reviews of Mineral Resource estimates.* | • No audits or reviews have been conducted on this Mineral Resource estimate. |

| Criteria | JORC Code explanation | Commentary |
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| *Discussion of relative accuracy/ confidence* | • *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.*<br>• *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.*<br>• *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.* | • The Indicated Mineral Resources are considered to be of sufficient accuracy to allow for Mine planning.<br>• The Inferred Mineral Resource estimates are global in nature.<br>• Geostatistical methods to determine relative accuracy have not been applied.<br>• Tailings dumps are normally mined by non-selective low cost bulk mining methods such as hydraulic monitoring. Tailings estimates are largely global in nature and tend not to be appropriate to apply a high degree of selectivity.<br>• No production data are available. |

| JORC CODE, 2012 Edition Table 1 – Helikon 1-5 |
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| **Section 1 Sampling Techniques and Data** |

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

| Criteria | JORC Code explanation | Commentary |
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| *Sampling techniques* | • *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*<br>• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*<br>• *Aspects of the determination of mineralisation that are Material to the Public Report.*<br>• *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.* | • A combination of diamond drilling (DD), producing drillhole core, and reverse circulation (RC) drilling, producing rock chips, has been utilised to sample the pegmatite.<br>• The zones of barren pegmatite between mineralised intervals for holes HDH001-015 were not always sampled. A sample was also collected either side of the mineralised intervals. The sampling for holes from HDH016 onwards was continuous through the entire pegmatite. A single host rock sample was collected from each side of the pegmatite contacts.<br>• Diamond drilling has been used to obtain core samples which have been cut longitudinally in half. Intervals submitted for assay have been determined according to geological boundaries. Samples were taken at 1 m intervals and minimum sample length of 0.5 m while honouring geological contacts.<br>• The submitted half-core samples typically have a mass of between 2 kg and 4 kg.<br>• The samples collected from the RC drilling were split using a riffle splitter mounted under the cyclone at a 90:10 split to obtain two samples. The smaller sample, of between 3 kg and 5 kg were submitted for assay. A reference sample of each of the samples submitted was kept on site. The non-pegmatite material was discarded.<br>• Channel samples were collected from two diamond saw cut channels, typically 2-5 cm deep and 4-5 cm in width. Channel sampling was also conducted on exposed lepidolite mineralisation in the historical open pits. Sample lengths varied from 0.5-2.22 m and samples were chipped out using a hammer and chisel. |
| *Drilling techniques* | • *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).* | • The diamond core drilling was carried out using five drill rigs; two Atlas Copco CS140 rigs, one Atlas Copco P4 rig, one Atlas Copco C6C and an X6000 drill rig. Drilling used a combination of HQ (63 mm) diameter core at the top of the drill holes and NQ (48 mm) diameter core once more competent lithologies were encountered at depth. |

| Criteria | JORC Code explanation | Commentary |
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| | | • The RC drilling was carried out using two drill rigs, an Atlas Copco CS-14 and a Schramm T685WS Rotadrill, drilling 140 mm diameter drill holes.<br>• The drill holes are generally spaced 50-100 m apart (but in places as close as 10 m apart) with inclinations of between -53° and -90° and drilling in a direction in order to intersect the pegmatites as close to perpendicular to strike and dip as possible. The longest DD hole was drilled to 250 m and the deepest RC hole was drilled to a depth of 199 m.<br>• The drilling was conducted in early 2017 and from mid-2017 to mid-2018.<br>• In early 2017, 5 diamond drill holes (1,108.44 m) were completed.<br>• The drilling from 2017 to mid-2018 included:<br>- Helikon 1: 23 diamond drill holes (1,842.80 m); 5 RC drill holes (398 m) and 20 RC/DD (i.e. RC tops and diamond core tails) holes (1563 m).<br>- Helikon 2: 11 diamond drill holes (1,129.65 m)<br>- Helikon 3: 18 diamond drill holes (2,179.40 m)<br>- Helikon 4: 20 diamond drill holes (2,591.20 m)<br>- Helikon 5: 13 diamond drill holes (913.24 m).<br>• 65 channels (163 m total length) were cut and sampled at the Helikon 1-4 pegmatites.<br>• A Reflex Ez-Trac survey was performed at 50 m intervals down hole for all diamond core drill holes. The RC drill holes and any DD holes shorter than 50 m were not surveyed. |
| *Drill sample recovery* | • *Method of recording and assessing core and chip sample recoveries and results assessed.*<br>• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*<br>• *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.* | • Core recoveries for the diamond drill holes were >95 %, according to the core recovery logs, and the samples taken for assay are considered representative of the mineralisation present.<br>• Due to the high core recovery, no additional methods to improve the sample recovery were implemented.<br>• The RC recoveries average 70 % (using a SG of 2.6 and RC hole diameter of 140 mm).<br>• A comparison of the assay results of the RC with the drill core samples within the mineralised zones shows no bias and indicates that the RC sampling is representative of the mineralisation present. |
| *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.*<br>• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* | • Drill hole cores were logged by qualified geologists on paper logs that were then captured into validated Excel spreadsheets and then uploaded into a Maxwell™ Datashed database. From March 2018, logging was directly input to Maxwell™ Logchief using tablet computers which were synchronised daily with the main Maxwell™ Datashed database. |

| Criteria | JORC Code explanation | Commentary |
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| | • *The total length and percentage of the relevant intersections logged.* | • The cores were logged for geology and geotechnical properties (RQD & planar orientations). The Datashed database was managed by MSA during the exploration programme and a complete copy of the database was handed over to the client at the end of the programme. The parameters recorded in the logging are adequate to support appropriate Mineral Resource estimation.<br>• All cores were logged, and logging was by qualitative (lithology) and quantitative (RQD and structural features) methods. All cores were also photographed both in dry and wet states, with the photographs stored in the database.<br>• The entire length of all drill holes was logged for geological, mineralogical and geotechnical data.<br>• A sample of the RC chips was washed and retained in a chip tray. Chip samples have been geologically logged at 1 m intervals, with data recorded as per the diamond core drill holes. Sample weight, moisture content, lithologies, texture, structure, alteration, oxidation and mineralisation were recorded. |
| *Sub-sampling techniques and sample preparation* | • *If core, whether cut or sawn and whether quarter, half or all core taken.*<br>• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*<br>• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*<br>• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*<br>• *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.*<br>• *Whether sample sizes are appropriate to the grain size of the material being sampled.* | • The samples collected from the RC drilling were split using a riffle splitter mounted under the cyclone at a 90:10 split to obtain two samples. The smaller sample, of between 3 kg and 5 kg, from the pegmatite intervals and one hangingwall and footwall sample were submitted for assay. A reference sample of each of the samples submitted was kept on site. The non-pegmatite material was discarded.<br>• Cores were cut longitudinally in half and the half from the same side was consistently sampled at a nominal 1 m length, respecting lithological boundaries. The other half of the core was retained for reference purposes.<br>• The samples were crushed and milled (85 %, pass -75 µm) at the ALS Laboratory in Swakopmund. Laboratory duplicates, blanks and standard material (produced by AMIS) were inserted in identical packets to the samples, one per 20 field samples. This was carried out under the supervision of a qualified geologist or experienced geotechnician.<br>• The samples produced from the diamond core drilling, RC drilling and channel sampling up to July 2017 were prepared at the ALS-Chemex preparation facility at Swakopmund using the PREP-31 method. Any moist samples were dried and then crushed to 70 % passing 2 mm using jaw crushers. The crushed material was split using a riffle splitter to obtain a 250 g |

| Criteria | JORC Code explanation | Commentary |
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| | | subsample. The subsamples were then pulverized using a two-component ring mill (ring and puck mill) or a single component ring mill (flying disk mill) to 85 % passing 200 mesh (-75 µm). An aliquot of the pulverized sample was put into an envelope and sealed and submitted to ALS Vancouver for analysis.<br>• After July 2017, a number of labs were utilised and preparation was carried out either at:<br>• ACT Laboratories (Windhoek) (method RX1) where the sample was crushed to 90 % passing through 2 mm (10 mesh size), thereafter a 250 g was split with riffle splitters and pulverized with mild steel ball to >95 % passing through 105 µm. An aliquot of the pulverized sample was put into an envelope and sealed and submitted to either Scientific Services (Cape Town) or ACT (Canada), or<br>• Set Point's on-site facility (method DLEG-1) where the samples were dried if necessary and then crushed using Rhino crushers to 80 % passing 2.8 mm. The samples were split using Jones riffle splitters or a 10-way rotary splitter, and 250 g aliquot split off and milled to achieve >80 % passing 75 µm.<br>• A coarse crush duplicate was inserted into a prelabelled sample bag by the preparation laboratory for every 25 to 30 samples. Analysis of the results of these samples vs the primary sample from which they were split shows acceptable reproducibility across the grade range. |
| *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.*<br>• *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.*<br>• *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.* | • ALS-Chemex was used for all the assays conducted up to 25 July 2017. ALS is an independent laboratory service provider and is ISO9001:2000 certificated for the provision of assay and geochemical analytical services and ISO17025 accredited for selected analytical methods.<br>• Subsequent samples generated from the drilling and channel sampling (from 25 July 2017) were sent to one of the following laboratories: ALS-Chemex (sample preparation in Swakopmund; analysis in Vancouver), Scientific Services (in Cape Town; samples preparation by ACT Laboratories in Windhoek), ACT Laboratories (Canada; sample preparation in Windhoek) or Setpoint Laboratories (Johannesburg; sample preparation by SGS on-site facility)<br>• The sample pulps were analysed by various analytical laboratories using either peroxide fusion or 4-acid digests:<br>- The samples submitted to ALS-Chemex were analysed by method ME-MS89L using a sodium peroxide fusion of a charge followed by digestion of the prill using dilute hydrochloric acid and then |

| Criteria | JORC Code explanation | Commentary |
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| | | determination by ICP-MS for a suite of 50 elements (Ag, As, Ba, Be, Bi, C, Cd, Ce, Co, Cs, Cu, Dy, Er, Eu, Fe, Ga, Gd, Ge, Ho, In, La, Li, Lu, Mn, Mo, Nb, Nd, Ni, Pb, Pr, Rb, Re, Sb, Se, Sm, Sn, Sr, Ta, Tb, Te, Th, Ti, Tl, Tm, U, V, W, Y, Yb, Zn). The detection range for Li is 2-25,000 ppm. Over-limit Li assays were analysed by Li-OG63 using HF-HNO3-HClO4 digestion, HCl Leach - Special open beaker method that has an analytical range of 0.005-10% Li.<br>- The method used by ACT Laboratories was UT-7 using a sodium peroxide fusion, followed by ICP-MS determination for 55 elements (Al, As, B, Ba, Be, Bi, Ca, Cd, Ce, Co, Cr, Cs, Cu, Dy, Er, Eu, Fe, Ga, Ge, Ho, Hf, In, K, La, Li, Mg, Mn, Mo, Nb, Nd, Ni, Pb, Pr, Rb, S, Sb, Se, Si, Sm, Sn, Sr, Ta, Tb, Te, Th, Ti, Tl, Tm, U, V, W, Y, Yb, Zn). The analytical range for Li is 3-10,000 ppm. Over-limit Li assays were analysed by UT-8 using a peroxide fusion and ICP-OES.<br>- Scientific Services used method ME-42 using a 4-acid microwave digest and determination by ICP-OES for a suite of 45 elements (Ag, Al, As, Ba, Be, Bi, Ca, Cd, Ce, Co, Cr, Cu, Cs, Fe, Ga, Ge, K, La, Li, Mg, Mn, Mo, Na, Ni, P, Pb, Rb, Se, S, Sb, Sc, Se, Sr, Te, Th, Ti, Tl, U, V, W, Y, Zn). The analytical range for Li is 5-25,000 ppm.<br>- Set Point Laboratories used method M448 using a sodium peroxide fusion followed by determination by ICP-MS for 9 elements (Li, Ta, Fe, K, Be, Nb, Rb, Ga, Sn). The analytical range for Li is 0.001-5% Li.<br>• DLE implemented an internal QA/QC protocol comprising the insertion of certified reference materials ("CRM"), blanks and course crush duplicates on a systematic basis amongst the samples shipped to the analytical laboratories. These were inserted at a frequency of 1 blank, 1 CRM and 1 duplicate for every 25 to 30 samples (giving an average of approximately 12 %).<br>• The following CRMs were used by DLE during the exploration programme: AMIS0338, AMIS0339, OREAS 147, OREAS 148 and OREAS 149.<br>• The blank materials used by DLE were AMIS0484, AMIS0439 and blank quartz material sourced from Rubicon. The blank material sourced from Rubicon was only used for a short period at the start of the drilling programme and was discontinued and replaced by AMIS0484 and AMIS0439. |

| Criteria | JORC Code explanation | Commentary |
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| | | • 181 samples originally analysed by Set Point were sent to ALS-Chemex (Canada) for external laboratory checks. A comparison of the results showed an acceptable correlation.<br>• None of the samples that were primarily assayed at ALS-Chemex, Scientific Services, or ACT Laboratories were submitted for external check analysis. However, ALS-Chemex assays were shown to correlate acceptably with Set Point when ALS-Chemex was the check laboratory.<br>• The Competent Person considers the sample preparation and analytical procedures to be appropriate for the style of mineralisation and the accuracy and precision of the assay results acceptable. |
| *Verification of sampling and assaying* | • *The verification of significant intersections by either independent or alternative company personnel.*<br>• *The use of twinned holes.*<br>• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*<br>• *Discuss any adjustment to assay data.* | • MSA observed the mineralisation in a selection of cores on-site, although no check assaying was completed by MSA. Checks of the logging of the drill holes observed was carried out and subsequent checks of the logs against the core photographs was also completed off-site.<br>• MSA observed and photographed several collar positions and channels in the field, along with rigs that were drilling at the time of the site visit<br>• Drilling data were stored on-site as both hard and soft copies. Drilling data were validated on-site before being sent to data management at MSA where the data was further validated. When results were received, they were loaded to the central database and shared with various stakeholders via email. QC results were reviewed by on site personnel. Hard copies of assay certificates were stored digitally by the exploration manager.<br>• The assay data has not been adjusted. Conversion of Li to $Li_2O$ uses the conversion $Li_2O$ = Li x 2.153. |
| *Location of data points* | • *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*<br>• *Specification of the grid system used.*<br>• *Quality and adequacy of topographic control.* | • All diamond drill holes were down hole surveyed using a Reflex Ez-Trac survey at 50 m intervals. The RC drill holes and any drill holes shorter than 50 m were not surveyed.<br>• The grid system used is UTM 33S/WGS84.<br>• The collar positions of all drill holes were surveyed by C. G. Pieterse Professional Land Surveyors, a registered land surveying company based in Swakopmund, using a differential GPS (DGPS).<br>• A high-resolution aerial drone survey was conducted by C. G. Pieterse Professional Land Surveyors in April 2018 over Helikon, Rubicon and surrounds by C.G. Pieterse in order to obtain updated imagery and a digital terrain model (DTM). The data are of suitable accuracy and detail for use in the Mineral Resource estimate. |

| Criteria | JORC Code explanation | Commentary |
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| *Data spacing and distribution* | • *Data spacing for reporting of Exploration Results.*<br>• *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.*<br>• *Whether sample compositing has been applied.* | • Drill holes are spaced as follows along fence lines orientated more or less orthogonal to the strike of the pegmatite:<br>- Helikon 1: between 20 m and 35 m apart (30 diamond core drill holes; 20 RC drill holes; 36 channels)<br>- Helikon 2: between 10 m and 80 m apart (13 diamond core drill holes; 11 channels)<br>- Helikon 3: between 25 m and 110 m apart (16 diamond core drill holes; 11 channels)<br>- Helikon 4: between 10 m and 65 m apart (26 diamond core drill holes; 6 channels)<br>- Helikon 5: between 25 and 85 m apart (14 diamond core drill holes).<br>• The mineralisation appears to be open at depth with the majority of the deepest drillholes having intersected mineralisation. No drillholes were affected by historical workings within the pegmatite. The historical workings created a number of cavities underground, the lateral and depth extents of which are unknown.<br>• The data were composited to 2 m intervals during estimation.<br>• The drilling is considered acceptable to establish confidence in the geological and grade continuity consistent with Inferred Mineral Resources. |
| *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.*<br>• *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.* | • The drill holes were drilled at the following inclinations in a direction to intersect the pegmatite as close to normal as possible:<br>- Helikon 1: -53° and -90° to the southwest<br>- Helikon 2: -58° and -89° to the southwest<br>- Helikon 3: -50° and -70° to the north-northeast<br>- Helikon 4: -49° and -90° to the north-northeast<br>- Helicon 5: -53° and -85° to the north<br>• A number of vertical drill holes were also drilled. The longest DD hole was drilled to 250 m and the deepest RC hole was drilled to a depth of 199 m below surface. The mineralised drill intersections range from near true thickness for the inclined drill holes. The true thickness will be between 3% and 10% less than the drilled intersection for the vertical drill holes.<br>• Channel samples were selectively taken in mineralized zones within the pits at Helikon 1, 2, 3, and 4 pegmatites and the selective sampling has been dealt with appropriately in the Mineral Resource estimate. Sampling was perpendicular to the layering/internal pegmatite zonation. |

| Criteria | JORC Code explanation | Commentary |
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| *Sample security* | • *The measures taken to ensure sample security.* | • The RC samples were collected and sealed in pre-labelled plastic bags at the drill rig.<br>• The samples were stored on-site until enough samples were prepared to make up a batch for despatch to the laboratory.<br>• In 2018, when the SGS preparation facility was commissioned. samples were despatched on a more frequent basis to the facility.<br>• The bagged individual samples were put into large rice bags containing several samples and sealed. The despatch forms were prepared on-site. One copy was inserted with the shipment, one copy sent by email to the analytical laboratory, and one copy was kept for reference purposes.<br>  • The samples were transported directly to the relevant laboratory by either Desert Lion Energy employees or by Jet- X Couriers.<br>  • The laboratories reconciled the received samples with the despatch documentation, and any discrepancies were flagged.<br>• Each sample shipment was verified and a confirmation of shipment receipt and content was emailed to the Desert Lion Energy project manager.<br>• The prepared samples were sealed in boxes and despatched to the relevant assay facility. |
| *Audits or reviews* | • *The results of any audits or reviews of sampling techniques and data.* | • Site visits by the Competent Person were conducted on 24 April 2017, 22-24 May 2017 and 6-8 June 2018. During the site visits checks were carried out on the mapping, drill core quality, accuracy of the logging for both the diamond and RC drilling, location of drill hole collars for the current and historical drilling by Black Fire Minerals. Logging and sampling techniques were also reviewed for the RC, drill core and channel sampling.<br>• The ALS-Chemex preparation facility in Swakopmund was inspected in 2017 and the SGS on-site facility was inspected in 2018. A separate visit to Set Point's analytical facility in Johannesburg was conducted on 9 May 2018.<br>• Checks of the logging against the drill core and core photographs were also completed.<br>• The Competent Person considers that the exploration work conducted by Desert Lion Energy was carried out using appropriate techniques for the style of mineralisation at the Helikon pegmatites, and that the resulting database is suitable for Mineral Resource estimation. |

## Section 2 Reporting of Exploration Results

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

| Criteria | JORC Code explanation | Commentary |
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| *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.*<br>• *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.* | • The Property comprises an Exclusive Prospecting Licence, EPL 5439, covering an area of 300.67 $km^2$ (30,067 ha) and a Mining Licence, ML 204, covering an area of 68.68 $km^2$ (6,868.5 ha). ML 204 is contained entirely within EPL 5439.<br>• The EPL was granted to Mr Thomas K. Mushimba, a Namibian national, on 11 February 2016 and valid for an initial period not exceeding three years. It expired on 10 February 2019 and is currently pending renewal according the Namibian Mining Cadastre Portal (http://portals.flexicadastre.com/Namibia/ accessed on 24 May 2019). The licence may be renewed for no more than two periods of two years each. Any further renewals are granted at the discretion of the Minister. On the first renewal, the licence holder is obliged to relinquish 25 % of the original licence area and is required to relinquish a further 50 % of the licence area, at the time of renewal, for each subsequent renewal as per section 72 of the Minerals Act, 1992.<br>• The licence covers the commodities Base and Rare Metals, Industrial Minerals and Precious Metals. EPL 5439 was subsequently transferred on 30 January 2017 to !Huni/-Urib Investments (Pty) Ltd, a private Namibian company that was subsequently renamed to Desert Lion Energy (Pty) Ltd ("Desert Lion Energy").<br>• A ten-year Mining Licence (ML 204) was granted to Desert Lion Energy by the Ministry of Mines and Energy on 20 August 2018 for the mining of Base and Rare Metals, Industrial Minerals and Semi-Precious Stones. The mining licence is entirely contained within EPL 5439 and includes the Rubicon and Helikon projects (the Desert Lion Energy Lithium Project) and incorporates the Namibian Government-owned farm, Okangava Ost 72.<br>• DLI owns 80 % of Desert Lion Energy. The remaining 20 % is held by !Huni/-Urib Holdings (Pty) Ltd. ("Huni Holdco").<br>• The surface rights are held by the Government (farms Okongava Ost 72, Otjua 37 and Otjimbingwe 104). The Property (EPL 5439) also includes the privately held Shalom farm (Ombujomenge Portion A and Meyersrust portion 2); Ombujomenge Portion C, Meyersrust -remainder, Levintina, Kaliombo 119 and Otjozundu 36. |

| Criteria | JORC Code explanation | Commentary |
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| | | • Desert Lion Energy received a written waiver of compensation for all exploration and mining related activities from the Ministry of Land Reform, who is responsible for the administration of the Government land in Namibia. |
| *Exploration done by other parties* | • *Acknowledgment and appraisal of exploration by other parties.* | • The pegmatites of the region (including Helikon and Rubicon) have been the subject of a number of geological surveys and research investigations. Initial exploration during the late 1920's and 1930's focused on beryl with Rubicon being proclaimed a mining area in 1951, with mining continuing until 1994. Mining at Helikon also focused on tantalite that was mined on a small scale as recently at 2011. Airborne magnetics and a radiometric survey were flown over the area in 1994 as part of the Sysmin programme commissioned by the Namibian Government.<br>• Historical exploration includes:<br>• the drilling of six diamond drill holes by Anglo American in 1968 to the northeast of the main Rubicon pit,<br>• the drilling of 11 underground diamond drill holes by Namibian Lithium in 1997,<br>• sampling (rock chip) and drilling (diamond drilling) by Black Fire Minerals (Pty) Ltd in 2009 and 2010: 51 rock chip samples from Rubicon, 36 rock chip samples from Helikon and 34 further rock chip samples from the immediate area; 12 diamond drill holes at Rubicon and 1 at Helikon,<br>• exploration by LiCore Mining (Pty) Ltd between 2013 and 2015 including: forty in situ rock chip samples and samples from the dumps; a ground Electromagnetic survey utilising a Magneto-Telluric Stratagem EH4 System.<br>• The pegmatites at Helikon 1, 2, 3, 4 and 5 were mined from a number of pits and by room and pillar stoping from the associated underground workings for petalite, amblygonite, lepidolite, beryl, quartz and accessory pollucite and bismuth, its oxidation products and tantalite.<br>• No production figures are available for the Helikon pegmatites. |
| *Geology* | • *Deposit type, geological setting and style of mineralisation.* | • The Project is located in the southern Central Zone of the Damara Belt. Many of the economic mineral deposits (gold, base metal and pegmatite hosted rare metal deposits) of the Damara Belt occur within the Central and Northern Zones. Among these deposits are lithium-beryllium, tin and tourmaline-bearing Lithium-Caesium-Tantalite ("LCT") family pegmatites of the Karibib Pegmatite Belt, which have been intruded into the tightly folded supracrustal rocks of the Damara Supergroup. |

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| | | • The pegmatites are classified at LCT Complex Lepidolite-Petalite pegmatites (with minor amblygonite).<br>• The Helikon 1 Pegmatite is the largest pegmatite of the 5 pegmatites that constitute the Helikon group of pegmatites. It forms a ~400 m long lens shaped body oriented east-west and dipping at between 60°and 70° to the north to subvertical in places with an average width of ~60 m. It is hosted in marbles dominated by calc-silicate felses, of the Karibib Formation, which strike east-west and dip ~45° to the south.<br>• The following zones (from the margin to the centre) have been identified in the Helikon 1 Pegmatite namely: Wall Zone, Inner Intermediate Zone (containing petalite), Core Zone (containing Lepidolite and minor amblygonite), a "Hangingwall Mineralised Zone" (which contains amblygonite, pollicite, beryl and columbite) and a quartz core which thickens to the east.<br>• The Helikon 2, 3, 4 and 5 pegmatites outcrop on the hills 800 m to the north of Helikon 1 along an east-west strike for approximately 1,600 m and are generally between 9m and 15 m thick. The Helikon 2-4 pegmatites outcrop as a series of semi-continuous dyke-like bodies and strike east-west over approximately 1,000 m. Helikon 5, which has not been exploited, is the western most pegmatite, is a separate pegmatite intrusion about 100 m to the west of Helikon 4 and outcrops discontinuously over approximately 500 m. The host rocks are marbles and calc-silicates with isolated intercalations of biotite schists of the Karibib Formation, which strike east-west and dip 20° to 45° to the south and are cross-cut by the pegmatites which dip between 30° south to vertical.<br>• The internal zonation of these pegmatites varies with the following zones variably developed in the pegmatites from margin to core: albite-quartz-muscovite (and perthite) zone (Wall Zone); beryl-bearing zone (Intermediate Zone); lepidolite zone (Inner Intermediate/ Core Zone); petalite zone (Inner Intermediate/ Core Zone); core zone. |
| *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:*<br>  ○ *easting and northing of the drill hole collar*<br>  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*<br>  ○ *dip and azimuth of the hole* | • Exploration results are not being reported.<br>• Refer to the supporting document – "NI 43-101 Technical Report, Preliminary Economic Assessment for Desert Lion Energy Lithium Project" with report date 23 November 2018 and effective date 1 October 2018. Also available at www.sedar.com. |

| Criteria | JORC Code explanation | Commentary |
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| | ○ *down hole length and interception depth*<br>○ *hole length.*<br>• *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.* | |
| *Data aggregation methods* | • *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*<br>• *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.*<br>• *The assumptions used for any reporting of metal equivalent values should be clearly stated.* | • Exploration results are not being reported; therefore no data was aggregated for reporting purposes.<br>• No equivalent values used or reported. |
| *Relationship between mineralisation widths and intercept lengths* | • *These relationships are particularly important in the reporting of Exploration Results.*<br>• *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*<br>• *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').* | • Exploration results are not being reported.<br>• There is no relationship between mineralisation width and grade.<br>• The geometry of the mineralisation is reasonably well constrained and most drill holes were inclined to intersect the pegmatite at approximately 90°, however the pegmatite is not of uniform thickness nor orientation. The true thickness will be between 3% and 10% less than the drilled intersections. |
| *Diagrams* | • *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.* | • Exploration results are not being reported.<br>• Refer to the supporting document – "NI 43-101 Technical Report, Preliminary Economic Assessment for Desert Lion Energy Lithium Project" with report date 23 November 2018 and effective date 1 October 2018. Also available at www.sedar.com. |
| *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.* | • Exploration results are not being reported. |
| *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.* | • Mineralogical investigations at Helikon 1, ,2, 3, 4 and 5 (of 360 drill core samples) have revealed that the main lithium minerals present are lithium micas (comprising mainly lepidolite) and petalite. Cookeite is present as an alteration of the petalite.<br>• The lithium minerals identified by the XRD are (in order of abundance) lepidolite, petalite, cookeite and minor spodumene. The cookeite is only |

| Criteria | JORC Code explanation | Commentary |
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| | | present in samples containing petalite and its content is directly proportional to the petalite content and has been interpreted to be an alteration product of the petalite.<br>• Within the mineralised zones approximately 85 % of the $Li_2O$ is contained in the lepidolite, 10 % in the petalite and the balance in cookeite (an alteration product of the petalite) and minor amblygonite.<br>• The proportion of lepidolite relative to other lithium minerals increases with $Li_2O$ content. |
| *Further work* | • *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*<br>• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.* | • MSA is unaware of any planned future work. |

## Section 3 Estimation and Reporting of Mineral Resources

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

| Criteria | JORC Code explanation | Commentary |
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| *Database integrity* | • *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.*<br>• *Data validation procedures used.* | • The validation process consisted of:<br>- Examining the sample assay, collar survey, down-hole survey and geology data to ensure that the data were complete and reasonable for all drillholes and channel samples<br>- Examination of the assay and density data in order to ascertain whether they were within expected ranges<br>- Checks for "From-To" errors, to ensure that the sample data did not overlap one another or that there were no unexplained gaps between samples.<br>• The data validation exercise revealed the following:<br>- QAQC was considered acceptable by the CP<br>- As at the effective date of the Mineral Resource estimate, complete data were available for HCS001 to HCS036 (channel samples), HDD01, HDH002 to HDH100 and HRCH001 to HRCH020<br>- Surveys of the collar positions were recorded by differential GPS |

| Criteria | JORC Code explanation | Commentary |
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| | | undertaken by C.G. Pieterse Land Surveyors<br>- Downhole surveys were completed in intervals of 50 m<br>- Holes shallower than 50 m were considered not to deviate from the planned dip and azimuth and thus no down hole surveys were completed on the shallow holes and the planned azimuth and dip was used as the down hole survey<br>- Core recovery >95 %<br>- All downhole survey data required correction for magnetic azimuth by 11° to the east<br>- Holes that were outside the topography or that did not form part of the project area were removed from the data before geological modelling commenced<br>- Any duplicated sampling intervals were removed<br>- There were no unresolved errors relating to missing intervals and overlaps in the drillhole logging data<br>- No default values were found except for detection limit data<br>- Examination of the drillhole data in three dimensions showed that the collars of the drillholes generally plotted in their expected positions, those that did not were queried with DLE and corrected<br>- During the course of the exploration program in 2017 – 2018 Desert Lion Energy conducted specific gravity ("SG") measurements via Archimedes method on 522 borehole core samples representing the various host rock and pegmatite lithologies present at the Helikon 1-5 pegmatites, some of which fell outside of expected ranges for the rock types and mineralisation, these values were removed for the estimation of SG<br>- Anomalous high-grade assays were checked and a capping method was applied for these outliers before estimation was completed. |
| *Site visits* | • *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.*<br>• *If no site visits have been undertaken indicate why this is the case.* | • A selection of cores representative of the entire drilling programme at Helikon 1-5 have been visually verified during a site visit by the CP - Geology (July 2018). The CP observed the mineralisation in the cores and compared it with the assay results. It was found that the assays generally agreed with the observations made on the core. |
| *Geological interpretation* | • *Confidence in (or conversely, the uncertainty of ) the geological interpretation of the mineral deposit.* | • Helikon 1:<br>- The mineralised intersections in drill core are clearly discernible. The |

| Criteria | JORC Code explanation | Commentary |
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| | • *Nature of the data used and of any assumptions made.*<br>• *The effect, if any, of alternative interpretations on Mineral Resource estimation.*<br>• *The use of geology in guiding and controlling Mineral Resource estimation.*<br>• *The factors affecting continuity both of grade and geology.* | mineralisation of economic interest is found in zoned complex petalite-lepidolite-amblygonite bearing LCT pegmatite sills and dykes. The pegmatites also contain minor amounts of niobium and tantalum, beryl, caesium and rubidium mineralisation<br>- The main lithium minerals present are lithium micas (comprising lepidolite) and petalite<br>- The Mineral Resource is interpreted to occur as mineralised pods (internal lithologies) within a tabular pegmatite, dipping 49° to the north east<br>- The main zone of the Mineral Resource is moderately continuous for over 240 m although it may be affected by a number of holes that have not intersected mineralisation. A three dimensional wireframe model was created for the eight zones of mineralisation based on a grade threshold of 0.20 % $Li_2O$ as well as the geological logs.<br>• Helikon 2:<br>- The mineralised intersections in drill core are clearly discernible. The mineralisation of economic interest is found in zoned complex petalite-lepidolite-amblygonite bearing LCT pegmatite sills and dykes. The pegmatites also contain minor amounts of niobium and tantalum, beryl, caesium and rubidium mineralisation<br>- The main lithium minerals present are lithium micas (comprising lepidolite) and petalite<br>- The Mineral Resource is interpreted to occur as mineralised pods (internal lithologies) within a tabular pegmatite, dipping 64° to the north east<br>- The main zone of the Mineral Resource is moderately continuous for over 145 m although it may be affected by a number of holes that have not intersected mineralisation. A three dimensional wireframe model was created for the seven zones of mineralisation based on a grade threshold of 0.20 % $Li_2O$ as well as the geological logs.<br>• Helikon 3:<br>- The mineralised intersections in drill core are clearly discernible. The mineralisation of economic interest is found in zoned complex petalite-lepidolite-amblygonite bearing LCT pegmatite sills and dykes. The pegmatites also contain minor amounts of niobium and tantalum, beryl, caesium and rubidium mineralisation<br>- The main lithium minerals present are lithium micas (comprising lepidolite) and petalite which are restricted to the intermediate and core |

| Criteria | JORC Code explanation | Commentary |
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| | | zones of the pegmatites<br>- The Mineral Resource is interpreted to occur as mineralised pods (internal lithologies) within a tabular pegmatite, dipping 50° to the south.<br>- The main zone of the Mineral Resource is moderately continuous for over 310 m although it may be affected by a number of holes that have not intersected the mineralisation<br>- A three dimensional wireframe model was created for the four zones of mineralisation based on a grade threshold of 0.20 % $Li_2O$ as well as the geological logs.<br>• Helikon 4:<br>- The mineralised intersections in drill core are clearly discernible. The mineralisation of economic interest is found in zoned complex petalite-lepidolite-amblygonite bearing LCT pegmatite sills and dykes. The pegmatites also contain minor amounts of niobium and tantalum, beryl, caesium and rubidium mineralisation<br>- The main lithium minerals present are lithium micas (comprising lepidolite) and petalite which are restricted to the intermediate and core zones of the pegmatites<br>- The Mineral Resource is interpreted to occur as mineralised pods (internal lithologies) within a tabular pegmatite, dipping 75° to the south.<br>- The main zone of the Mineral Resource is moderately continuous for over 120 m although it may be affected by a number of holes that have not intersected the mineralisation<br>- A three dimensional wireframe model was created for the nine zones of mineralisation based on a grade threshold of 0.20 % $Li_2O$ as well as the geological logs.<br>• Helikon 5:<br>- The mineralised intersections in drill core are clearly discernible. The mineralisation of economic interest is found in zoned complex petalite-lepidolite-amblygonite bearing LCT pegmatite sills and dykes. The pegmatites also contain minor amounts of niobium and tantalum, beryl, caesium and rubidium mineralisation<br>- The main lithium minerals present are lithium micas (comprising lepidolite) and petalite which are restricted to the intermediate and core zones of the pegmatites<br>- The Mineral Resource is interpreted to occur as mineralised pods (internal |

| Criteria | JORC Code explanation | Commentary |
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| | | lithologies) within a tabular pegmatite, dipping 73° to the south east. |
| *Dimensions* | • *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.* | • Helikon 1:<br>- Visual inspection of the data showed that the mineralised intersections occur within holes drilled between 20 m and 35 m apart along south east – north west fence lines spaced approximately 40 m apart over a strike length of approximately 440 m. All channel samples were taken on a closer spacing of between 15 m and 50 m apart and were selectively taken over high-grade mineralisation zones with the pit of Helikon 1. Examination of the drillhole data in section revealed that in the down dip and along strike areas a number of below threshold grade intersections occur that have constrained the down dip extent and along strike extents of the mineralised zones.<br>• Helikon 2:<br>- Visual inspection of the data showed that the well mineralised intersections occur within holes drilled between 10 m and 80 m apart along south east – north west fence lines over a strike length of approximately 250 m. All channel samples were taken on a closer spacing of between 5 m to 50 m. Examination of the drillhole data in section revealed that in the down dip and along strike areas a number of below threshold grade intersections occur that have constrained the down dip extent and along strike extents of the mineralised zones.<br>• Helikon 3:<br>- Visual inspection of the data showed that the well mineralised intersections occur within holes drilled between 9 m and 50 m apart along east – west fence lines spaced approximately 75 m apart over a strike length of approximately 310 m. All the channel samples were taken at a closer spacing of between 9 m to 36 m apart. Examination of the drillhole data in section revealed that in the down dip and along strike areas, a number of below threshold grade intersections occur that have constrained the down dip and along strike extents of the mineralised zone.<br>• Helikon 4:<br>- Visual inspection of the data showed that the well mineralised intersections occur within drillholes drilled between 10 m and 65 m apart along east – west fence lines spaced approximately 30 m apart over a |

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| | | strike length of approximately 430 m. All the channel samples were taken on a closer spacing of between 2 m to 100 m apart. Examination of the drillhole data in section revealed that in the down dip and along strike areas a number of below threshold grade intersections occur that have constrained areas of the down dip extent and along strike extents of the mineralised zone.<br>• Helikon 5:<br>- Visual inspection of the data showed that the well mineralised intersections occur within holes drilled between 25 m and 85 m apart along a fence line from south west – north east with a strike length of approximately 320 m. Examination of the drillhole data in section revealed that in the down dip and along strike areas a number of below threshold grade intersections occur that have constrained the down dip extent and along strike extents of the mineralised zone. |
| *Estimation and modelling techniques* | • *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.*<br>• *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.*<br>• *The assumptions made regarding recovery of by-products.*<br>• *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).*<br>• *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.*<br>• *Any assumptions behind modelling of selective mining units.*<br>• *Any assumptions about correlation between variables.*<br>• *Description of how the geological interpretation was used to control the resource estimates.*<br>• *Discussion of basis for using or not using grade cutting or capping.*<br>• *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.* | • Helikon 1:<br>- The mineralisation was modelled as eight zones. A hard boundary was used to select data for estimation in order to honour the sharp nature of the mineralisation contacts within the pegmatite.<br>- Sample lengths were composited to 2 m. Composites of less than 2 m occur in areas of narrow mineralisation and were retained.<br>- Two populations of $Li_2O$ mineralisation occur, a high-grade population and a lower grade population. The data were separated into the eight geological and statistical populations based on a recoding exercise that took into account both the geological logging and assay data. The histograms are positively skewed.<br>- Top caps were applied to outlier values. Top caps were applied to the composite data for $Li_2O$ % in the quartz core, $Ta_2O_5$ ppm in the Undifferentiated Pegmatite, Massive Lepidolite (MLEP) and Quartz Core (QC), and $Fe_2O_3$ was capped for the Undifferentiated Pegmatite and MLEP lithologies.<br>- 36 channel samples are clustered on the high wall of the pit at Helikon 1. Outside of the channel sampled area the grid is approximately regular.<br>- 25 mN by 25 mE by 5 mRL three dimensional block models. The blocks were divided into sub-cells to better represent the volume of the interpreted mineralisation. |

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| | | - Grade variables were estimated into the individual mineralised zones using the capped 2 m composites within each zone. Using parent cell estimation, inverse distance to the power of two was used to estimate the grade variables into the block model for all lithologies.<br>- The search distances and the rotation angles that defined the search ellipses for all the lithologies were based on the minimum number of composites required for an estimate, i.e. 5 and the maximum number 12. If an estimate was not achieved within the search ellipse volume, the search ellipse was expanded by 50 %. Should an estimate still not be achieved, the original search ellipse was expanded by 1000 %. The search distance was 30 m striking 15 degrees and dipping 55 degrees to the north.<br>• Helikon 2:<br>- The mineralisation was modelled as seven zones. A hard boundary was used to select data for estimation in order to honour the sharp nature of the mineralisation contacts within the pegmatite.<br>- Sample lengths were composited to 2 m. Composites of less than 2 m occur in areas of narrow mineralisation and were retained.<br>- Two populations of $Li_2O$ mineralisation occur, a high-grade population and a lower grade population. The data were separated into eight geological and statistical populations based on a recoding exercise that took into account both the geological logging and assay data. The histograms are positively skewed.<br>- No outlier values were identified that required a top cap.<br>- 11 channel samples were completed and are clustered in the pit at Helikon 2. Outside of the channel sampled area the grid is approximately regular.<br>- 25 mN by 25 mE by 5 mRL three dimensional block models. The blocks were divided into sub-cells to better represent the interpreted mineralisation volumes.<br>- Grade variables were estimated into mineralised domains using the 2 m composites from each zone. Using parent cell estimation, three domains were estimated by inverse distance to the power of two, those being two of the larger, more consistent MLEP pods and then the Undifferentiated Pegmatite. The remaining domains were assigned the mean grade of the composites occurring in each domain. |

| Criteria | JORC Code explanation | Commentary |
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| | | - The search distance and the rotation angles that defined the search ellipses for all the lithologies were based on the minimum number of composites required for a high confidence estimate and then the drillhole spacing to achieve the sample selection.<br>- The search distance and the rotation angles that defined the search ellipses for all the lithologies were based on the minimum number of composites required for an estimate, i.e. 5 and the maximum number 12. If an estimate was not achieved within the search ellipse volume, the search ellipse was expanded by 50 %. Should an estimate still not be achieved, the original search ellipse was expanded by 1000 %. The search distance was 30 m striking 15 degrees and dipping 65 degrees to the north.<br>• Helikon 3:<br>- The mineralisation was modelled as four zones. A hard boundary was used to select data for estimation in order to honour the sharp nature of the mineralisation contacts in the pegmatite.<br>- Sample lengths were composited to 2 m. Composites of less than 2 m occur in areas of narrow mineralisation and were retained.<br>- Two populations of $Li_2O$ mineralisation occur, a high-grade population and a lower grade population. The data were separated into four statistical populations based on a recoding exercise that took into account both the geological logging and assay data. The histograms are positively skewed.<br>- No outlier values were identified that required a top cap.<br>- 11 channel samples were completed and are clustered in the pit at Helikon 3. Outside of the channel sampled area the grid is approximately regular.<br>- 25 mN by 25 mE by 5 mRL three dimensional block models. The blocks were divided into sub-cells to better represent the interpreted mineralisation volumes.<br>- Grade variables were estimated into the individual mineralised zones using the 2 m composite drillhole sample data for each zone. Using parent cell estimation, the PEG and largest MLEP domains were estimated by inverse distance to the power of two. The remaining domains were assigned the mean grade of the composites occurring in each domain.<br>- The search distance and the rotation angles that defined the search |

| Criteria | JORC Code explanation | Commentary |
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| | | ellipses for all the lithologies were based on the minimum number of composites required for a high confidence estimate and then the drillhole spacing to achieve the sample selection.<br>- The search distance and the rotation angles that defined the search ellipses for all the lithologies were based on the minimum number of composites required for an estimate, i.e. 4 and the maximum number 12. If an estimate was not achieved within the search ellipse volume, the search ellipse was expanded by 50 %. Should an estimate still not be achieved, the original search ellipse was expanded by 1000 %. The search distance was 50 m striking 175 degrees and dipping 55 degrees to the south west.<br>• Helikon 4:<br>- The mineralisation was modelled as eight zones. A hard boundary was used to select data for estimation in order to honour the sharp nature of the mineralisation within the pegmatite.<br>- Sample lengths were composited to 2 m. Composites of less than 2 m occur in areas of narrow mineralisation and were retained.<br>- Two populations of $Li_2O$ mineralisation occur, a high-grade population and a lower grade population. The data were separated into the eight statistical populations based on a recoding exercise that took into account both the geological logging and assay data. The histograms are positively skewed.<br>- Top caps were applied to outlier values that were above breaks in the cumulative probability plot. The only top cap applied to the composite data is for $Ta_2O_5$ ppm in the MLEP.<br>- 6 channel samples were taken and are clustered in the pit at Helikon 4. Outside of the channel samples the grid is approximately regular.<br>- 25 mN by 25 mE by 5 mRL three dimensional block models. The blocks were divided into sub-cells to better represent the interpreted mineralisation volumes.<br>- Grade variables were estimated into mineralised domains using 2 m composites from each zone. Using parent cell estimation, three domains were estimated by inverse distance to the power of two, those being two of the larger, more consistent MLEP pods and then the Undifferentiated Pegmatite. The remaining domains were assigned the mean grade of the composites occurring in each domain. |

| Criteria | JORC Code explanation | Commentary |
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| | | - The search distance and the rotation angles that defined the search ellipses for all the lithologies were based on the minimum number of composites required for a high confidence estimate and then the drillhole spacing to achieve the sample selection.<br>- The search distance and the rotation angles that defined the search ellipses for all the lithologies were based on the minimum number of composites required for an estimate, i.e. 5 and the maximum number 12. If an estimate was not achieved within the search ellipse volume, the search ellipse was expanded by 50 %. Should an estimate still not be achieved, the original search ellipse was expanded by 1000 %. The search distance was 30 m striking 5 degrees and dipping 60 degrees to the south.<br>• Helikon 5:<br>- The mineralisation was modelled as six zones. A hard boundary was used to select data for estimation in order to honour the sharp nature of the mineralisation within the pegmatite.<br>- Sample lengths were composited to 2 m. Composites of less than 2 m occur in areas of narrow mineralisation and were retained.<br>- Two populations of $Li_2O$ mineralisation occur, a high-grade population and a lower grade population. The data were separated into the four statistical populations based on a recoding exercise that took into account both the geological logging and assay data. The histograms are positively skewed.<br>- No outlier values were identified that required a top cap.<br>- No data clustering was evident.<br>- 25 mN by 25 mE by 5 mRL three dimensional block models. The blocks were divided into sub-cells to better represent the interpreted mineralisation volumes.<br>- Grade variables were estimated into mineralised domains using 2 m composites from each zone. Using parent cell estimation, the Undifferentiated Pegmatite was estimated by inverse distance to the power of two. The remaining domains were assigned the mean grade of the composites occurring in each domain.<br>- The search distance and the rotation angles that defined the search ellipses for all the lithologies were based on the minimum number of composites required for a high confidence estimate and then the drillhole |

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| | | spacing to achieve the sample selection.<br>- The search distance and the rotation angles that defined the search ellipses for all the lithologies were based on the minimum number of composites required for an estimate, i.e. 4 and the maximum number 12. If an estimate was not achieved within the search ellipse volume, the search ellipse was expanded by 50 %. Should an estimate still not be achieved, the original search ellipse was expanded by 1000 %. The search distance was 50 m striking 160 degrees and dipping 85 degrees to the south west. |
| *Moisture* | • *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.* | • Tonnages were estimated on natural moisture levels |
| *Cut-off parameters* | • *The basis of the adopted cut-off grade(s) or quality parameters applied.* | • The Helikon Mineral Resources are based on a cut-off grade of 0.2% $Li_2O$. Mining is expected to be by open-pit mining and, given high-level cost and revenue assumptions, the CP considers that the mineralisation at this cut-off grade will satisfy reasonable prospects for eventual economic extraction (RPEEE). The cost and revenue assumptions used to determine RPEEE were supplied by DLE and reviewed by MSA and were deemed to be reasonable. |
| *Mining factors or assumptions* | • *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.* | • It was assumed that the deposit will be mined by open-pit methods. |
| *Metallurgical factors or assumptions* | • *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.* | • The lithium mineralisation occurs as lepidolite, petalite, cookeite and trace amounts of spodumene. The proportion of cookeite and petalite are directly proportional in samples as the cookeite is considered an alteration product of petalite. Each of these minerals is amenable to standard processing techniques for each metal. |
| *Environmental factors or assumptions* | • *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential* | • To the best of the CP's knowledge there are no environmental, permitting, legal, tax, socio-political, marketing or other relevant issues which may |

| Criteria | JORC Code explanation | Commentary |
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| | *environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.* | materially affect the Mineral Resource estimate reported herein. |
| *Bulk density* | • *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.*<br>• *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.*<br>• *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.* | • Helikon 1:<br>- During the 2017 campaign, Benzu conducted SG measurements by Archimedes Principle on 149 core samples. A number of SGs were also completed by ALS Chemex on the core samples.<br>• Helikon 2:<br>- During the 2017 campaign, DLE conducted SG measurements by Archimedes Principle on 43 core samples. A number of SGs were also completed by ALS Chemex on the core samples.<br>• Helikon 3:<br>- During the 2017 campaign, DLE conducted SG measurements by Archimedes Principle on 61 core samples. A number of SGs were also completed by ALS Chemex on the core samples.<br>• Helikon 4:<br>- During the 2017 campaign, DLE conducted SG measurements by Archimedes Principle on 221 core samples. A number of SGs were also completed by ALS Chemex on the core samples.<br>• Helikon 5:<br>- During the 2017 campaign, DLE conducted SG measurements by Archimedes Principle on 49 core samples. A number of SGs were also competed by ALS Chemex on the core samples. |
| *Classification* | • *The basis for the classification of the Mineral Resources into varying confidence categories.*<br>• *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).*<br>• *Whether the result appropriately reflects the Competent Person's view of the deposit.* | • The mineralisation was classified as Inferred Mineral Resources due to the quality of the data and the data spacing. The data were insufficient to calculate and model reliable variograms.<br>• Helikon 1:<br>A maximum extrapolation from a drillhole of 50 m was applied.<br>• Helikon 2:<br>A maximum extrapolation from a drillhole of 40 m was applied.<br>• Helikon 3:<br>A maximum extrapolation from a drillhole of 50 m was applied. |

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| | | • Helikon 4:<br>A maximum extrapolation from a drillhole of 40 m was applied.<br>• Helikon 5:<br>A maximum extrapolation from a drillhole of 40 m was applied. |
| *Audits or reviews* | • *The results of any audits or reviews of Mineral Resource estimates.* | • The following review work was completed by MSA:<br>- Inspection of a small proportion of the Benzu, Black Fire and DLE cores used in the Mineral Resource estimate,<br>- Database spot check,<br>- Inspection of some drill sites. |
| *Discussion of relative accuracy/ confidence* | • *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.*<br>• *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.*<br>• *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.* | • The Inferred Mineral Resource estimates should be considered global in nature. |