

ASX ANNOUNCEMENT

28th July 2016

GREENBUSHES SOUTH LITHIUM PROJECT UPDATE

Dempsey Minerals Ltd ("Dempsey") wishes to provide an update on its Smithfield lithium project located along the Donnybrook-Bridgetown shear zone, which hosts the world class Greenbushes mining operation in South-West Western Australia. The Greenbushes mine has been producing lithium from the Greenbushes Lithium Operations for over 25 years. It was established in 1983 and initially focussed on tantalum production but its primary product is lithium. The most recent public lithium resource for the mine was 119.4Mt @ 2.24% Li₂O as at 30th September 2013.

The project comprises one Exploration Licence application (E70/4629) covering a total area of approximately 43 km². It is approximately 15kms to the south of the Greenbushes mine.

The Greenbushes South project is considered prospective for lithium, tin and tantalum. It has similar mineralisation to what exists at the Greenbushes mine.

Most of the project is covered with laterite; which is known to mask pegmatites. However, field reconnaissance and mapping undertaken by Dempsey in and around the old historical tin mining areas has revealed remnant pegmatite characteristic within areas of outcropping lateritic duricrust.

Laterite has also proven to be a very effect and excellent geochemical sampling medium in locating pegmatite ore mineralisation systems in the Greenbushes district (Smith et al, 1987).

Numerous old workings occur around the Smithfield pegmatites including historical production from three main areas. Previous exploration work focused mainly on tin and tantalum potential, which included laterite sampling and drilling of the historical known areas. Lithium was not considered important in the 1980's when the majority of the intrusive exploration work was undertaken. However, *Cavana* (2004) reported elevated Li, Rb, Sn and Ta in the Smithfield pegmatites of which 10 were known to exist within the area.

Exploration programmes are being planned and will commence upon grant of the tenement.

The historical information should be considered with caution as the details of each sample assayed and background of the testwork is not clearly known.

For further information contact:

Nathan McMahon

Non-Executive Chairman

Email: nathan@dempseyminerals.com.au

Tel: (08) 9322 6283

Competent Person's Statement

The information that relates to exploration targets, exploration results and drilling data of Dempsey operated projects is based on information compiled by Mr Mark Major a Member of The Australasian Institute of Geoscientists. Mr Major has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Major consents to the inclusion in their names in the matters based on their information in the form and context in which it appears.

References are:

Smith, R.E., Perdrix, J.L., and Davis, J.M., 1987, Dispersion into pisolitic laterite from the Greenbushes mineralized Sn-Ta pegmatite system, Western Australia: *Journal of Geochemical Exploration*, v.28, p 215-265.

Cavana, C.M., 2004, Haddington Resources Ltd report SM1/2004 : Smithfield project annual report for the period 2nd July 2003 to 1st July 2004 ; prepared for the Department of Industry and Resources – Open file report 69193.

