# 18 RC Drill Holes Completed at the Arcadia High Grade Lithium Project

## Cumulative Pegmatites up to 51m in Thickness

Prospect Resources Ltd (ASX: PSC) (Prospect, the Company) is pleased to report on the first 18 RC drill holes at the Company's Arcadia high grade lithium project. This RC drill programme is ongoing.

Drilling to date has covered approx. 6% of the Company's exploration area. The drilled strike of the stacked pegmatites now extends more than 1km NW-NE and some 300m down dip to NW. The Company's ground position now covers more than **500 hectares of mining licences**.

RC drilling is progressing at a rapid rate of nearly 1 hole per day. A second RC drill rig is being brought to site.

**Development Timetable**

- First JORC reportable resource is expected to be generated before the end of October
- Mine feasibility study planned for completion prior to 31 December
- First ore production planned for pre 30 June 2017
- Off-take discussions underway with > 5 Asian lithium carbonate and lithium hydroxide producers and agreements are expected to be completed prior to 31 December

Attached to this announcement is a summary of significant intercepts of the first 18 RC drill holes and a plan map of the existing drill collars.

The Company is awaiting assay results for the diamond hole programme and RC programme.

**Key points to note from the summary of drilling results:**

- 1,121 metres were drilled in 17 holes (1 abandoned), averaging over 62m depth per hole.
- 1,170 metres were drilled in Phase 1 from 16 Diamond drill holes, averaging almost 70m depth per hole.
- All but 1 drill hole intercepted pegmatites, hosting visible quantities of spodumene and petalite.
- The 18 RC holes drilled to date confirm the NE lateral extension of the Main Pegmatite and Lower Main Pegmatite exposed in the old Arcadia pit.
- In the Diamond holes the Main Pegmatite ranges in thickness up to **10m** and averages **5.5m.**
- In the RC holes, the Lower Pegmatite:
    - thickens to the NE to up to **39m** with cumulative thickness of **51m**.
    - averages **23m** thickness.
- Pegmatites appear to extend to the east, north, north west and north east.
- Pegmatites are flat lying and are less that 80m below surface.
- There is a thickening of the lower pegmatites to the east and seemingly down dip continuity of both pegmatites to the northwest.

**Summary of Significant Intercepts – RC Holes**

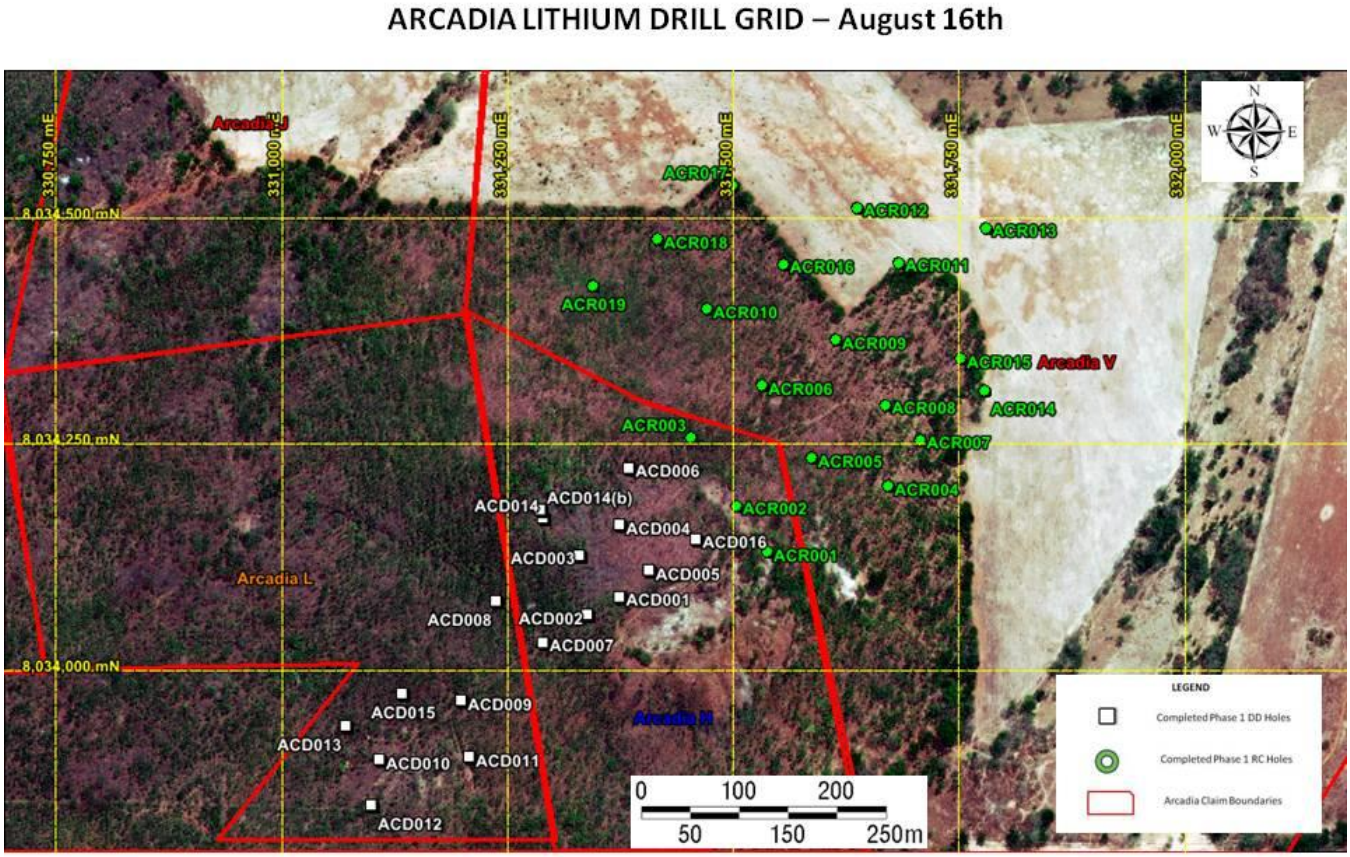
| Hole | Thickness of Lower Main Pegmatites | From (m) | To (m) | Total Thickness of total Pegmatites | Total Depth of Hole | Significant Geology/ Comments |
|---|---|---|---|---|---|---|
| ACR001 | - | 21 | 29 | **8** | 51 | Main Pegmatite, spodumene |
| ACR001 | **1** | 31 | 32 | **14** | 51 | Lower Main Pegmatite, spodumene |
| ACR002 | **11** | 23 | 34 | **15** | 52 | Lower Main Pegmatite, spodumene & petalite |
| ACR003 | **17** | 42 | 59 | **27** | 76 | Lower Main Pegmatite, spodumene & petalite |
| ACR004 | **17** | 2 | 19 | **19** | 37 | Lower Main Pegmatite, spodumene |
| ACR005 | **18** | 5 | 23 | **18** | 31 | Lower Main Pegmatite, spodumene |
| ACR006 | **15** | 19 | 34 | **25** | 55 | Lower Main Pegmatite, spodumene & petalite |
| ACR007 | **13** | 2 | 15 | **19** | 43 | Lower Main Pegmatite, spodumene |
| ACR008 | **23** | 2 | 25 | **31** | 50 | Lower Main Pegmatite, spodumene |
| ACR009 | **34** | 17 | 51 | **38** | 55 | Lower Main Pegmatite, spodumene & petalite |
| ACR010 | **30** | 34 | 64 | **30** | 70 | Lower Main Pegmatite, spodumene & petalite |
| ACR011 | **29** | 41 | 70 | **33** | 76 | Lower Main Pegmatite, spodumene & petalite |
| ACR012 | **24** | 54 | 78 | **24** | 81 | Lower Main Pegmatite, spodumene & petalite |
| ACR013 | **30** | 51 | 81 | **48** | 81 | Lower Main Pegmatite, spodumene & petalite |
| ACR014 | **31** | 1 | 28 | **46** | 82 | Lower Main Pegmatite, spodumene |
| ACR015 | 39 | 0 | 39 | **51** | 68 | Lower Main Pegmatite, spodumene |
| ACR016 | **34** | 36 | 70 | **34** | 76 | Lower Main Pegmatite, petalite |
| *ACR017* | | | | ***1*** | 53 | *Hole Abandoned in basalt- water fissures* |
| ACR018 | **25** | 52 | 77 | **25** | 82 | Lower Main Pegmatite, spodumene & petalite |
| **Averages** | **23** | | | **28** | **62** | |

## Summary of Significant Intercepts – Diamond Holes (previously reported)

| Hole | From (m) | To (m) | Thickness (m) | Geology |
|---|---|---|---|---|
| ACD001 | 10.65 | 11.90 | ***1.25*** | ***U1*** (Upper Pegmatite band 1) |
| ACD001 | 25.40 | 33.64 | ***8.24*** | ***Main*** Pegmatite. Spodumene, petalite |
| ACD001 | 36.60 | 39.25 | ***2.65*** | ***L1*** (Lower Pegmatite band 1). Spodumene |
| ACD001 | 58.33 | 61.87 | ***3.54*** | ***L4*** (Lower Pegmatite band 4). Spodumene |
| ACD002 | 21.70 | 29.45 | **7.75** | ***Main*** Pegmatite. Spodumene, petalite |
| ACD002 | 56.70 | 59.57 | **2.87** | ***L5*** (Lower Pegmatite band 5). Well Mineralised |
| ACD002 | 60.70 | 62.63 | **1.93** | ***L6*** (Lower Pegmatite band 6) |
| ACD002 | 71.72 | 74.00 | **2.28** | ***L7*** (Lower Pegmatite band 7).Spodume & petalite. |
| ACD003 | 30.58 | 32.78 | ***2.20*** | ***M1 Main*** Pegmatite. Spodumene, petalite |
| ACD003 | 34.39 | 39.69 | ***5.30*** | ***M2 Main*** Pegmatite. Spodumene, petalite, layering, Be |
| ACD003 | 56.52 | 57.57 | ***1.05*** | ***L4*** (Lower Pegmatite band 4). Some spodumene |
| ACD003 | 60.34 | 62.25 | ***1.91*** | ***L5*** (Lower Pegmatite band 5). Spodumene, petalite & eucryptite, |
| ACD003 | 66.75 | 71.53 | ***4.78*** | ***L6*** (Lower Pegmatite band 6). Coarse spodumene |
| ACD004 | 27.50 | 31.21 | ***3.71*** | ***U2*** (Upper Pegmatite band 2). Some petalite |
| ACD004 | 36.06 | 41.60 | ***5.54*** | ***Main*** Pegmatite. Spodumene, petalite, layering, Be |
| ACD004 | 46.86 | 48.07 | ***1.21*** | ***L2*** (Lower Pegmatite band 2). Some spodumene, some tantalite |
| ACD004 | 56.60 | 58.13 | ***1.53*** | ***L5*** (Lower Pegmatite band 5). Spodumene, petalite & eucryptite, |
| ACD004 | 60.95 | 62.25 | ***1.30*** | ***L7*** (Lower Pegmatite band 7). Mod spodumene & traces petalite |
| ACD004 | 64.73 | 71.03 | ***6.30*** | ***L8*** (Lower Pegmatite band 8). Coarse spodumene, some petalite |
| ACD004 | 75.11 | 76.49 | ***1.38*** | ***L9*** (Lower Pegmatite band 9). Coarse spodumene, some petalite |
| ACD005 | 6.50 | 8.28 | ***1.78*** | ***U2*** (Upper Pegmatite band 2). Some spodumene; weathered |
| ACD005 | 22.13 | 32.08 | ***9.95*** | ***Main*** Pegmatite. Spodumene, petalite layering, possible lepidolite, Be |
| ACD005 | 53.45 | 57.36 | ***3.91*** | ***L3*** (Lower Pegmatite band 3). Some spodumene |
| ACD005 | 59.60 | 64.94 | ***5.34*** | ***L4*** (Lower Pegmatite band 4). Spodumene, petalite & eucryptite layers |
| ACD006 | 6.63 | 8.65 | ***2.02*** | ***U2*** (Upper Pegmatite band 2). Some spodumene |
| ACD006 | 18.28 | 20.60 | ***2.32*** | ***U1*** Pegmatite. Some spodumene & tantalite |
| ACD006 | 30.00 | 34.32 | ***4.32*** | ***Main*** Pegmatite. Spodumene, Be |
| ACD006 | 36.75 | 38.63 | ***1.88*** | ***Main*** Pegmatite. Spodumene, petalite, Be |
| ACD006 | 39.10 | 40.51 | ***1.41*** | ***Main*** Pegmatite. Spodumene, Be |
| ACD006 | 53.89 | 55.07 | ***1.18*** | ***L3*** (Lower Pegmatite band 3). Some spodumene and molybdenum |
| ACD006 | 56.00 | 65.77 | ***9.77*** | ***L4 (Lower Pegmatite band 3).*** *Coarse spodumene, petalite layering* |
| ACD006 | 68.25 | 71.25 | ***3.00*** | ***L5*** (Lower Pegmatite band 5). Spodumene, petalite & eucryptite |

| Hole | From (m) | To (m) | Thickness (m) | Geology |
|---|---|---|---|---|
| ACD007 | 10.93 | 20.60 | ***9.67*** | ***Main*** Pegmatite. Spodumene, eucryptite, no petalite |
| ACD007 | 24.95 | 26.35 | ***1.40*** | ***L1*** (Lower Pegmatite band 1). Spodumene, tantalite |
| ACD007 | 31.45 | 32.55 | ***1.10*** | ***L2*** (Lower Pegmatite band 2). Some spodumene, some tantalite |
| ACD007 | 49.12 | 53.03 | ***3.91*** | ***L5*** (Lower Pegmatite band 5). Coarse spodumene, petalite layering |
| ACD007 | 62.42 | 63.65 | ***1.23*** | ***L6*** (Lower Pegmatite band 6). Some spodumene. |
| ACD008 | 1.40 | 8.80 | ***7.40*** | ***Main*** Pegmatite. Spodumene, weathered partially kaolinised |
| ACD008 | 16.76 | 17.87 | ***1.11*** | ***L2***(Lower Pegmatite band 1). Spodumene, tantalite, traces beryllium |
| ACD008 | 18.96 | 20.36 | ***1.40*** | ***L3*** (Lower Pegmatite band 3). Some spodumene, some tantalite |
| ACD008 | 39.94 | 42.70 | ***2.76*** | ***L5*** (Lower Pegmatite band 5). Coarse podumene, tr petalite & tantalite. |
| ACD009 | 5.75 | 9.90 | ***4.15*** | ***Main Pegmatite***. Spodumene, weathered partially kaolinised |
| ACD009 | 20.70 | 23.70 | ***3.00*** | ***L2***(Lower Pegmatite band 2). Qtz rich, spodumene, petalite, tantalite |
| ACD009 | 37.10 | 38.70 | ***1.60*** | ***L4*** (Lower Pegmatite band 4). Mod spodumene, petalite layering |
| ACD009 | 49.36 | 50.40 | ***1.04*** | ***L5*** (Lower Pegmatite band 5). Some spodumene, petalite & tantalite. |
| ACD010 | 2.75 | 5.60 | ***2.85*** | ***Main Pegmatite***. Very weathered |
| ACD010 | 21.10 | 23.36 | ***2.26*** | ***L2***(Lower Pegmatite band 2). Moderate spodumene, some petalite, tantalite |
| ACD011 | 23.42 | 29.20 | ***5.78*** | ***L1*** (Lower Pegmatite band 1). Mod spodumene, trace petalite, tantalite |
| ACD012 | 8.00 | 11.75 | ***3.75*** | ***Main Pegmatite***. Core loss, Mod spodumene, trace petalite, tantalite |
| ACD012 | 13.48 | 15.80 | ***2.32*** | ***L1*** (Lower Pegmatite band 1). Mod spodumene, mod petailite, tantalite |
| ACD012 | 33.78 | 34.84 | ***1.06*** | ***L2*** (Lower Pegmatite band 2). Mod spodumene, mod petailite, tantalite |
| ACD013 | 1.71 | 3.75 | ***2.04*** | ***Main Pegmatite***. Core loss, weathered, some spodumene |
| ACD014 | 0.00 | 5.40 | ***5.40*** | ***U 4*** (Upper Pegmatite band 4***)*** poorly mineralised |
| ACD014 | 33.00 | 34.65 | ***1.65*** | ***U1*** (Upper Pegmatite band 1); spodumene |
| ACD014 | 38.95 | 40.56 | ***1.61*** | ***Main Pegmatite***. Spodumene and petalite |
| ACD014 | 40.94 | 42.97 | ***2.03*** | ***Main Pegmatite***. Spodumene and Petalite |
| ACD014 | 55.25 | 56.90 | ***1.65*** | ***L2*** (Lower Pegamatite band 2***)*** Spodumene, some petalite |
| ACD014 | 58.53 | 60.00 | ***1.47*** | ***L 4*** (Lower Pegmatite band 4) Poorly mineralised |
| ACD014 | 68.02 | 75.16 | ***7.14*** | ***L6*** (lower Pegmatite band 6)Spodumene and petalite |
| ACD015 | 0.93 | 5.50 | ***4.57*** | ***Main Pegmatite. Moderate spodumene, some petalite.*** |
| ACD015 | 17.94 | 19.91 | ***1.97*** | ***L1 (****Lower Pegmatite band 1). Some spodumene* |
| ACD015 | 32.10 | 33.19 | ***1.09*** | ***L2 (****Lower Pegmatite band 2). Some spodumene* |
| ACD016 | 7.54 | 11.85 | ***4.31*** | ***U1*** Weathered. Partly mineralised, some Spodumene |
| ACD016 | 14.50 | 19.97 | ***5.47*** | ***Main Pegmatite,*** moderately to well mineralised, Spodumene & petalite |
| ACD016 | 41.00 | 50.50 | ***9.50*** | ***L6 (Lower Main)***. Moderately to well mineralised, Spodumene & petalite |

**Map of the Completed Diamond drill collars (white) and RC drill holes (green)**

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**Competent Person's Statement**

The information in this announcement that relates to Exploration Targets, Exploration Results, Mineral Resources and Ore Reserves is based on information compiled by Mr Roger Tyler, a Competent Person who is a member of The Australasian Institute of Mining and Metallurgy and The South African Institute of Mining and Metallurgy. Mr Tyler is the Company's Senior Geologist. Mr Tyler has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Tyler consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

# JORC Code, 2012 Edition – Table 1 report template

## Section 1 Sampling Techniques and Data

| 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.* | • At the Arcadia Project, The samples were percussion chips generated from a Smith Capital rig, using a double tube reverse circulation technique.<br>• 3kg Samples were collected every metre in triplicate, in addition to a smaller sample retained for reference and logging.<br>• Standards, blanks and field duplicates will be inserted into the sample shipment (5% of total sample number)<br>• Samples will be shipped to Zimlabs laboratory where they will be pulverized to produce a 30g charge and then dispatched by courier to ALS Johannesburg. All samples will be analysed by multi-element ICP (ME-MS61). Overlimits on lithium analysed by LiOG63 method, |
| *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).* | • Double tube, 5" reverse circulation. A trailer mounted Smith Capital double tube RC rig was used with a 25 bar (Inergsoll Rand) 2013 compressor. 3m rods were used, and the hole air blasted to allow sample recovery via a cyclone every 1m. |
| *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.* | • Chip samples were bagged directly from the cyclone, and immediately weighed, then riffle split.<br>• Material seems largely homogenous, and no relationship has been detected between grain size and assayed grade. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Logging* | • *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*<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.* | • Chip samples have been geologically logged at 1m intervals, with data recorded in spreadsheet format using standardized codes. Sample weight, moisture content, lithologies, texture, structure, induration, alteration, oxidation and minerlisation were recorded.<br>• The work is undertaken according to Prospect Resources' standard procedures and practices, overseen by the CP. Prospect Resources believes that the level of detail and quality of the work is appropriate to support the current and any future exploration. |
| *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.* | • Samples were bagged straight from the cyclone. Typically 12 – 18 kg of sample were produced per metre.<br>• The dry samples were split using a 3-stage riffle splitter. With three, 3kg samples being collected per 1m interval. Excess material was dumped in a landfill,<br>• Field duplicates were produced every 20th sample.<br>• The 3kg samples were crushed and milled (90%, pass-75u) at the Farvic Laboratory. Lab duplicates, blanks and standard material ( produced and AMIS) were inserted in identical packets to the samples, one per 20 normal samples. This was done under the supervision of a qualified geologist.<br>• . |
| *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.* | • All samples will be analysed by multi-element ICP (ME-MS61). Overlimits on lithium analysed by LiOG63 method, after four acid disolution, at ALS<br>• |
| *Verification of sampling and* | • *The verification of significant intersections by either independent or alternative company personnel.* | • Prospect Resources' Chief geologist has almost 30 years experience and was on site during most of the drilling and sample pre-preparation. The |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *assaying* | • *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.* | significant intersections were also shown Geological Survey staff.<br>• All hard copies of data are retained at the Prospect Resource Exploration offices, attached to the Farvic Mine. All electronic data resides in Excel format on the office desktop, with back-ups retained on hard-drives in a safe.<br>• No holes have been twinned to date. Though twinning is taking place on historically drilled holes (from 1970s)<br>• Logging and assay data captured electronically on excel spreadsheet, and subsequently Access database. |
| *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.* | • No Mineral Resource estimate has been carried out.<br>• The first drill hole was completed with down-hole surveyed using a Azimuth Point System (APS) Single Shot survey method down-hole instrument at a minimum of every 50m and measured relative to magnetic North. These measurements have been converted from magnetic to UTM Zone 35 South values. No significant hole deviation is evident in plan or section |
| *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 planned to be drilled at an average of 50m intervals along strike. This is sufficient to establish geological and grade continuity, Further infill drilling is planned to take place as a second campaign to infill this to 25m |
| *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.* | • Mineralised structures are flat lying pegmatites and drilling was planned in a straightforward manner to intersect these structures without bias. |
| *Sample security* | • *The measures taken to ensure sample security.* | • Samples will be placed in sealed bags to prevent movement and mixing. Minimal preparation was done on site. |
| *Audits or reviews* | • *The results of any audits or reviews of sampling techniques and data.* | • To be advised. |

## Section 2 Reporting of Exploration Results

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

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td>Mineral tenement and land tenure status</td><td>• 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.</td><td>• Arcadia V claim, held by JV partner Paul Chimbodza.<br>• No environmental or land title issues.<br>• Rural farmland - fallow</td></tr>
<tr><td>Exploration done by other parties</td><td>• Acknowledgment and appraisal of exploration by other parties.</td><td>• Two rounds of historical drilling were done. Three EXT holes were drilled in 1969 at site of current pit. These logs are available, and the lithologies observed are consistent with that seen by Prospect Resources' drilling. The sites of at least 10 NQ sized boreholes have also been identified in the field. The detailed records of this programme have been lost. But the work done in the 1970's was recorded by the Geological Survey in their 1989 bulletin, where historical estimates of 18mt at up to 5% Li were recorded.</td></tr>
<tr><td>Geology</td><td>• Deposit type, geological setting and style of mineralisation.</td><td>• Na-Li pegmatite, with spodumene, eucryptite, petalite and amblygonite. In addition to disseminated tantalite and beryl.</td></tr>
<tr><td>Drill hole Information</td><td>• 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.</td><td>
<table>
<tr><th>Bhs</th><th>Eastings</th><th>Northings</th><th>RL</th><th>Azimuth</th><th>Dip</th><th>Depth</th></tr>
<tr><td>ACR001</td><td>331,538</td><td>8,034,130</td><td>1,367</td><td>130</td><td>-79</td><td>51</td></tr>
<tr><td>ACR002</td><td>331,505</td><td>8,034,181</td><td>1,366</td><td>151</td><td>-81</td><td>52</td></tr>
<tr><td>ACR003</td><td>331,454</td><td>8,034,257</td><td>1,375</td><td>144</td><td>-80</td><td>76</td></tr>
<tr><td>ACR004</td><td>331,672</td><td>8,034,203</td><td>1,348</td><td>147</td><td>-80</td><td>37</td></tr>
<tr><td>ACR005</td><td>331,587</td><td>8,034,234</td><td>1,342</td><td>144</td><td>-80</td><td>33</td></tr>
<tr><td>ACR006</td><td>331,533</td><td>8,034,314</td><td>1,344</td><td>148</td><td>-80</td><td>55</td></tr>
</table>
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| Criteria | JORC Code explanation | Commentary |
|---|---|---|

| | | | | | | |
|---|---|---|---|---|---|---|
| ACR007 | 331,708 | 8,034,254 | 1,335 | 139 | -81 | 43 |
| ACR008 | 331,670 | 8,034,293 | 1,330 | 148 | -80 | 50 |
| ACR009 | 331,615 | 8,034,365 | 1,328 | 155 | -79 | 55 |
| ACR010 | 331,471 | 8,034,399 | 1,346 | 156 | -80 | 70 |
| ACR011 | 331,684 | 8,034,450 | 1,320 | 156 | -80 | 76 |
| ACR012 | 331,638 | 8,034,511 | 1,318 | 146 | 80 | 81 |
| ACR013 | 331,781 | 8,034,489 | 1,321 | 135 | 79 | 81 |
| ACR014 | 331,780 | 8,034,308 | 1,324 | 150 | 78 | 82 |
| ACR015 | 331,753 | 8,034,344 | 1,327 | 135 | 80 | 68 |
| ACR016 | 331,557 | 8,034,449 | 1,318 | 158 | 79 | 76 |
| ACR017 | 331,500 | 8,034,536 | 1,324 | 135 | 80 | 53 |
| ACR018 | 331,417 | 8,034,476 | 1,360 | 135 | 80 | 82 |

| | | |
|---|---|---|
| *Data aggregation methods* | • *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum e 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.* | • Borehole intersections were reported using downhole weighted averaging methods. No maximum or minimum grade truncations were used. The mineralisation is well constrained in pegmatites and quartz veins. |
| *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* | • The first drilled to intersect the shallow dipping pegmatite veins. All drill holes were drilled with an azimuth of 135°. The dip of all the holes is -80°. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *intercept lengths* | *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').* | • The first hole intersected the main pegmatite as planned. |
| *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.* | • Maps are attached and cross sections are being created |
| *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.* | • The Company believes that all results have been reported and comply with balanced reporting. |
| *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.* | • Channel sampling also carried out at the adjacent dormant pit, that was mined in the '70s. Geological mapping and grab sampling was undertaken on a surveyed grid, down-dip and along strike of the pit. |
| *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.* | • Infill and extension drilling is being planned for Q3 2016 |