PAYNES FIND GOLD LIMITED

Registered Address:
Ground Floor, Suite 1, 437 Roberts Road
Subiaco WA 6008
Phone: (08) 9481 3992
Fax: (08) 9381 1122
ABN: 45 141 450 624

11 May 2016

Australian Securities Exchange Limited
Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000

ACQUISITION OF ADVANCED LITHIUM PROJECT WITH RESOURCE

HIGHLIGHTS

- **JORC compliant inferred resource of 3,700,000 tonnes at 1.5% Li_2O (55,500 tonnes contained Lithium).**
- **Previously completed 17,000 metres of drilling and 1,400 metres of declines, drives and crosscuts. This work will allow the Company to examine routes to fast track development phase.**
- **Additional drilling to commence before completion of transaction with a view to upgrading resource.**
- **Granted Mining Leases over 11 mining areas by the Austrian Mining Authority.**
- **Bulk sample (1,000 tonnes) taken for metallurgical test work. Bankable feasibility study to commence immediately after completion.**
- **Planned production profile of 15-20 months from acquisition.**
- **Located 40 kilometres from Samsung battery plant in Gratz, Austria.**
- **Proposed Director and Management have considerable experience in resource project development and wide project execution experience.**
- **Current owner has spent 11.53 million Euros on acquisition and exploration.**
- **Central European location will allow the Company to help meet EU demand. Good local infrastructure and sources of energy nearby. The project provides a significant transport cost advantage over lithium from South America and Australia.**
- **Close to the largest lithium import markets in EU. EU is a major Lithium importer, consuming 24% of the global market, second only to China.**

Paynes Find Gold Limited (ASX: PNE) (**Company**) is pleased to announce it has entered into a binding terms sheet pursuant to which it has agreed, subject to satisfaction of certain conditions precedent, to acquire 100% of the shares in European Lithium AT (Investments) Limited (Company Number 162395) (**EL**) the ultimate 100% owner of ECM Lithium AT GmbH, a subsidiary entity of European Lithium Limited (Company Number 1629378) and, the 100% owner and holder of the **Wolfsberg Lithium Project in Austria** from the shareholders of European Lithium Limited (**Acquisition**). See corporate structure Appendix A.

Project Background

Location

The Wolfsberg lithium project which is located in Carinthia, 270 km south of Vienna, Austria and 20 km east of Wolfsberg, an industrial town, with established infrastructure, including access to the European motorway and railway network. The main industry in the area is forestry and a pulp and paper mill is in operation nearby. The Project is strategically placed for European manufacturers using lithium, whilst by-product production of feldspar, quartz and mica may enhance the Project materially, subject to further metallurgical testing to determine the by-product qualities and market values.

History

The Project was discovered by Minerex, an Austrian government company, in 1981. Following extensive exploration, technical and commercial studies, a pre-feasibility study was completed in 1987. This study concluded that the Project did not meet investment criteria due to the then lower lithium prices and the 54 per cent revaluation of the Austrian Schilling to the US dollar during the time of the pre-feasibility study to September 1987. In 1988 therefore the Austrian Government decided not to develop the Project and Minerex was closed.

In 1988 the Project was transferred to Bleiberger Bergwerksunion ("BBU"), an Austrian government owned lead-zinc miner. However, in 1991 BBU was closed by the Austrian government and the Project was sold to Kärntner Montanindustrie GmbH ("KMI"), a private mining company that mines micaceous hematite in Carinthia and, with its mines in Morocco, is the market leading supplier of that product. KMI carried out the work specified by the Austrian mining authorities required to maintain the mine and mining licence in good order.

Following a number of changes of ownership the project was acquired by EL in September 2011 for 9.7 million euros plus 20 per cent VAT. At that time the Company was wholly owned by the Exchange Minerals Group. On 2 December 2011, 80% of the ordinary shares of the Company then on issue were transferred from the Exchange Minerals Group to Global Strategic Minerals (ASX:GSZ a company then listed on the ASX. In September 2014, in consideration for the termination of a prior agreement, EL entered into a royalty agreement with Exchange Minerals Limited under which EL is obliged to pay to Exchange Minerals Limited a royalty of 1.50 euros per dry tonne of 'all mineral product' sold.

EL expended a further 1.83 million euros on exploration and development including drilling, a scoping study and the extraction of two 500 tonne bulk samples in October 2013.

Historical Exploration

Minerex completed exploration work that comprised initial surface geology mapping along with 9,940 m³ of surface trenches and a diamond drilling program totalling 12,012 m collared from surface. In 1985 an underground exploration programme was undertaken including development of a decline from the surface from the northern side of Brandrucken Mountain through the amphibole schist to provide access to the pegmatite veins. Crosscutting drifts were driven along strike of selected veins to provide access for mapping and sampling and an additional decline was driven to access the veins in the mica schist. In all 1,389m of underground development was mined. A diamond drilling campaign of 4,715 m was undertaken from underground to effectively infill the surface drilling to about 50 m intervals in the eastern part of Zone 1.

Following the acquisition of the Wolfsberg project, EL undertook exploration drilling in 2012 on the southern flank of the anticline which confirmed the structural interpretation and presence of lithium bearing pegmatite veins. Mining was undertaken in 2013 to collect 500 tonne bulk samples from the two ore types for metallurgical testing. The Minerex drilling data was utilised to develop a three dimensional resource model for use in mine planning.

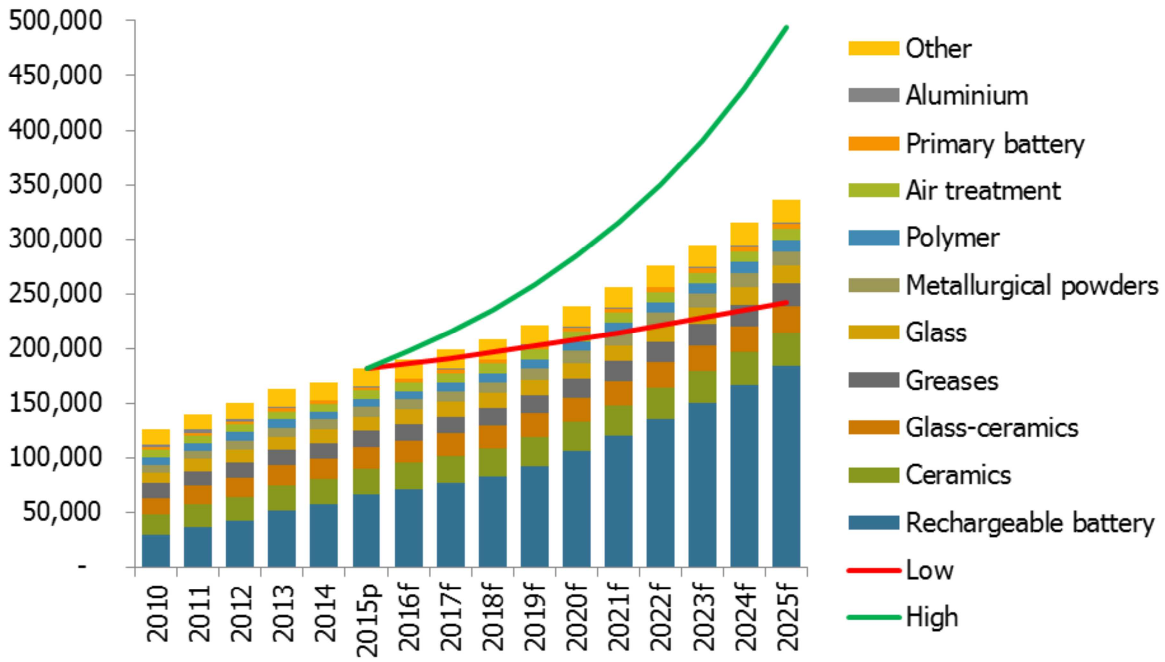
Work done by the current owners at the Wolfsberg Lithium Project

Lithium Market

The global lithium market is a combination of surging demand and tight supply.

All the projected lithium oxide production is subject to MOUs with major off-take partners in China, Japan, Americas and Europe. These off-take partners have substantial expansion plans to meet the anticipated demand for electric vehicles but will be restrained by the lack of mine supply of lithium products.

World forecast demand for Lithium by first use (t LCE)



Source Roskill, Jan 16

- Lithium-ion batteries driving demand
    - Plus 20% annual growth since 2000
    - Currently 30% of global market

- Electric Vehicles
    - Currently 3% of global lithium market
    - Accelerated growth expected from 2015

The electrical vehicle market is rapidly growing (122% CAGR in 2010-14, source: International Energy Agency), either plug-in hybrid electric vehicles (PHEVs) or battery electric vehicles (BEVs). The majority of these use lithium due to its cost benefit, which reflects its currently unrivalled energy density per kg of weight. This latter point has been used as the principle guide in designing suitable battery packs for automobile use.

Proposed new Director and Management post-Acquisition include:

Tony Sage

Mr Sage has in excess of 30 years' experience in the fields of corporate advisory services, funds management and capital raising. Mr Sage is based in Western Australia and has been involved in the management and financing of listed mining and exploration companies for the last 19 years. Mr Sage has operated in Argentina, Brazil, Peru, Romania, Russia, Sierra Leone, Guinea, Cote d'Ivoire, Congo, South Africa, Indonesia, China and Australia. Mr Sage is currently Chairman of ASX-listed Australian companies, Cape Lambert Resources Ltd (which was AIM Company of the year in 2008), Cauldron Energy Ltd and Fe Ltd.

Management

Dr Steve Kesler (proposed Chief Executive Officer)

Dr Kesler has more than 35 years' experience in the mining sector with both major and junior mining companies. Dr Kesler has experience in all phases of the mining industry from exploration through to managing operations in multiple commodities notably uranium, copper, nickel, zinc, coal/lignite, gold/silver and iron ore. He has lived and worked professionally for mining companies in Namibia, South Africa, Chile, Philippines, UK, USA, Canada and Colombia.

Dr Kesler has considerable public company board and company leadership experience including previous roles as CEO and director for TSX and AIM listed Greystar Resources, President of Mining for URS Corporation (NYSE), Executive Director at Billiton Plc which was listed on the Main Market and JSE prior to the takeover by BHP, CEO and director at Pacific Nickel Limited (ASX), CEO at Minera Doña Ines de Collahuasi Ltda (Chile), General Manager and director of Rossing Uranium Limited in Namibia and vice president of business development for Minera Escondida Ltda in Chile.

Dr Kesler holds a B.Sc (Mining Engineering) and Ph.D. (Mineral Technology) from Imperial College and the Advanced Management Programme from Templeton College, University of Oxford and is a Chartered Engineer and Fellow of the Institution of Materials, Minerals and Mining.

ACQUISITION TERMS

The Company has executed a binding term sheet (**Agreement**) to acquire 100% of the issued shares (**ELA Shares**) in European Lithium AT (Investments) Limited (Company Number 162395) (**ELA**) , subject to satisfaction of a number of conditions precedent outlined below, from the shareholders of European Lithium Limited (Company Number 1629378) (**EL**)(**EL Shareholders**).

ELA is the ultimate 100% owner of ECM Lithium AT GmbH, a subsidiary entity of European Lithium Limited (Company Number 1629378) and the 100% owner and holder of the Wolfsberg Lithium Project in Austria (**Project**).

The key terms of the Agreement are as follows:

- Within 5 business days of execution of the Agreement, the Company will advance EL a first advance of $200,000 (**First Advance**).

- Within 5 business days of satisfactory completion of due diligence by the Company on ELA, the Company will pay ELA a second advance of $550,000 for immediate drilling requirements on the Project (**Second Advance**).

- At completion of the Acquisition, the consideration to be issued to the EL Shareholders (or their nominees) for the acquisition of their ELA Shares will be:

  - 187,500,000 fully paid ordinary shares in the capital of PNE (a fully paid ordinary share in PNE being a **PNE Share**) (**Share Consideration Tranche 1**); and

  - 62,500,000 PNE Shares upon ELA (which, for the purpose of the following provisions means any company in the new ELA group post-Acquisition) upgrading the JORC resource for the Project to a minimum of 4,500,000 tonnes inferred resource at 1.3% Li_2O (**Share Consideration Tranche 2**).

  At completion of the Acquisition, PNE will also pay EL a third advance of A$1,500,000 as a payment for reimbursement of expenditure in developing the Project.

- EL retains the right to accept an offer for 100% of the issued share capital of ELA from one of two named parties in the Agreement for a period of 45 days from signing of the binding term sheet. The offer must be for a total consideration of at least A$20 million and PNE has the right to offer the equivalent consideration. If EL accepts an offer greater than A$20 million (within 45 days from signing the binding term sheet), that PNE decided not to match, EL will refund the First Advance and Second Advance, plus interest of 5% per annum and pay a break fee of A$500,000 and repay any costs incurred by PNE up to the date of termination of the Agreement. .

Conditions precedent

Completion of the Acquisition is subject to a number of conditions being satisfied, including:

- Completion of due diligence investigations by PNE;

- PNE obtaining all necessary regulatory and shareholder approvals required by the *Corporations Act 2001* (Cth) and the ASX Listing Rules in relation to the Acquisition;

- EL providing to PNE consolidated financial statements in respect of ELA for the last three financial years (or such other period as required by ASX/ASIC);

- EL providing all statutory and regulatory approvals and any other third party consents or waivers necessary or desirable, to complete the Acquisition;

- PNE shall not incur expenses in excess of $25,000 between the date of this Term Sheet being executed and completion of the Acquisition other than expenses in the normal course of business, related to the acquisition of ELA or expenses incurred with the prior written consent of EL;

- PNE preparing a full form prospectus, lodging the prospectus with ASIC and the ASX and raising the minimum subscription under the prospectus;

- PNE having a minimum of A$5,000,000 in the bank at the time of completion of the Acquisition and obtaining conditional approval to be requoted on ASX and for the Share Consideration to be admitted to ASX (subject to ASX imposed escrow restrictions) subject to standard conditions, acceptable to PNE;

- All loans payable, including any interest and associated fees owing, by ELA and debts owed to major shareholders and directors by ELA will be converted to shares in ELA prior to the Acquisition completing.

If the conditions set out above are not satisfied (or waived by the parties) on or before 5.00 pm (WST) on 31 August 2016, or such other date as agreed in writing between the parties, the agreement constituted by the Agreement will be at an end and the parties will be released from their obligations under Agreement.

Name change

As part of the acquisition, the Company will seek the approval of shareholders to change its name to “European Lithium Limited” to more accurately reflect the proposed future operations of the Company.

Change of board and new CEO

At completion of the Acquisition, two existing directors of PNE, shall resign and EL shall nominate two new directors to the board to take effect from completion of the Acquisition.

Mr Steve Kesler will also be appointed as Chief Executive Office of PNE following completion of the Acquisition, on terms and conditions to be agreed with PNE.

CHANGE OF ACTIVITIES

The proposed Acquisition will result in a change in the nature and scale of PNE’s activities and will require shareholder approval under Chapter 11 of the ASX Listing Rules as well as require the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules.

The Company will despatch a notice of meeting to shareholders seeking the relevant approvals to undertake this process, with such notice to contain detailed information relating to the acquisition of ELA.

The Paynes Find Gold project will be retained by the Company with minimum expenditure commitments satisfied so that the tenements remain in good standing. The project will be subjected to a detailed review by the incoming management team with opportunities to develop and or joint venture being encouraged.

INDICATIVE CAPITAL STRUCTURE

The indicative effect of the capital raising and Acquisition on the capital structure of the Company is as follows:

Description	Ordinary Shares	Options	Tranche 2 Consideration Shares
Current issued capital	73,044,750	8,000,000[1]	-
Capital Raising shares	TBC	-	-
Securities to be issued pursuant to the Acquisition	187,500,000	-	62,500,000
Securities to be issued to Corporate Consultant	23,437,500[2]	200,000,000[2]	7,812,500[2]
Total post completion subject to capital raising price	**283,982,250**	**208,000,000**	**70,312,500**

1. 8,000,000 Options exercisable at $0.125 on or before 27/02/2020.
2. A success fee is payable on the Acquisition of EL to Anglo Menda Pty Ltd (corporate advisor) of 12.5% of the value of the acquisition payable in shares (applying an estimated price of 8 cents per share) with Tranche 2 Consideration Shares on the same terms and conditions as the EL Shareholders. In addition 200 million options exercisable at 10 cents on or before 30/06/2020.

INDICATIVE TIMETABLE

The indicative timetable for the Acquisition will be provided following completion of due diligence.

CAPITAL RAISING

In conjunction with the acquisition of ELA, in order to re-comply with the requirements of Chapters 1 and 2 of the ASX Listing Rules, PNE will seek to raise a minimum of $6,000,000 pursuant to a full form prospectus prepared in accordance with the requirements of the Corporation's Act. The issue price of the shares to be offered under the Capital Raising is yet to be confirmed.

SUMMARY OF RESOURCE ESTIMATE AND REPORTING CRITERIA

As per ASX Listing Rule 5.8 and the 2012 JORC reporting guidelines, a summary of the material information used to estimate the Mineral Resources is detailed in the CPR attached at Appendix B.

Geology

The Project area is characterised by a sequence of generally quartzitic, locally kyanite-bearing mica schists and eclogitic amphibolites. The strata lie in a regional anticline. All Minerex exploration work was focused on the northern limb of this anticline which is known as Zone 1. The strata uniformly strike WNW-ESE (average 120°) and dipping to the NNE at an average of 60°.

The spodumene bearing pegmatites occur as unzoned dyke like bodies in the eclogitic amphibolites and kyanite bearing mica schists strictly concordant with their foliation. They have been traced in mapping over a distance of 1.5 km and to a depth down dip of about 450 m by drilling. The amphibolite hosted pegmatites (AHP) lie stratigraphically in the hanging wall position relative to the mica schist hosted pegmatites (MHP) although they overlap. The AHP are cut in the east by a NE-SW trending fault and thin out in the west. The MHP continue to the west and are cut to the east by the NE-SW trending fault as for the AHP. Mineralised boulders equivalent to the AHP also occur at the southern limb of the anticline and limited drilling by EL in 2012 has confirmed the existence of lithium bearing AHP and MHP.

The Competent Persons Report ("CPR") (note 1) states that the potential for resource extensions of the whole geological environment is considered to be high.

The largest MHP dyke has been mapped along strike continuously for approximately 1,250 m and to a depth of about 200 m. The thickness of the AHP and MHP differ significantly ranging from a few tens of cm up to a maximum of 5.5 m, averaging around 2 m. The variation in thickness of the AHP appears to depend on the host rock while the MHP is remarkably consistent.

The AHP has greyish to greenish spodumene crystals aligned sub-parallel to the pegmatite contacts and average about 2-3 cm in length reaching a maximum of 15 cm. They are more or less homogeneously distributed in a fine grained matrix of feldspar and quartz with flakes of muscovite. The MHP lack the typical features and textures of pegmatites having undergone a penetrative metamorphic overprint almost completely recrystallizing the original pegmatitic minerals. The MHP dykes are truly homogeneous over their entire thickness and extension. The only minerals recognizable by the naked eye are rare spodumene grains up to several mm in length.

The chemical composition of the AHP and MHP are similar but the average Li_2O content of samples taken during underground exploration is 1.6 per cent. Li_2O in AHP and 1.2 per cent. Li_2O in MHP.

Drilling techniques and hole spacing

Diamond drilling was carried out at the Project in the mid 1980s from both the surface and from underground. The surface holes are identified by the prefix "KOK", while underground holes are prefixed by "KUK". A total of 84 surface holes are shown on the Minerex maps while 34 underground drill holes are shown on cross sections. This diamond drilling tested an area approximately 1,600 m x 400 m.

The spacing of the drilling, on a semi-regular grid on regularly spaced cross sections, would not have introduced any bias in the sampling within the area drilled.

Since the drill hole data used for the resource modelling, including assays, was sourced from secondary sources such as plotted plans and cross sections, not primary sources such as original logs and laboratory certificates, the quality of the data cannot be independently verified by AM&A and so this drilling data is not suitable for more than an Inferred resource according to the JORC (2012) Code.

Sampling and sub-sampling techniques

No original Minerex reports have been located to date describing fully the drilling methods and core sampling protocols followed or drill core recoveries. It is probable that the samples were collected to the standards in place at the time of the drilling however this cannot be independently verified by AM&A

Sample analysis method

No documentation was provided to the author describing the sampling procedures and QA/QC procedures followed by Minerex when they sampled the diamond drill core for chemical analysis.

Cut-off grades

A cut-off grade of 0.75% Li was used to report the resource estimates. This grade was assumed to represent an approximate break-even grade at the time the resource was estimated by Mine-It.

Data Verification

Since the drill core has been destroyed, the author has not been able to verify the accuracy of the analytical results by independently taking duplicate samples of the core.

Classification criteria

Although the Mine-It/Miller resource classifications of Measured, Indicated and Inferred may have been valid under JORC Code (2004) they are not valid under JORC Code (2012). The lack of original source documentation on the drilling methods and core recoveries, procedures followed when sampling the diamond core, QA/QC procedures followed during the core sampling and chemical analyses, AM&A have revised the resource classifications as follows: Mine-It/Miller and JORC Code (2004) "Measured" to JORC Code (2012) Inferred and Mine-It/Miller and JORC Code (2004) "Indicated" and "Inferred" to JORC Code (2012) Exploration Targets.

It was strongly recommended by AM&A that all the historic data generated by Minerex is properly compiled and where applicable the data collected from secondary sources replaced. This primary data should then be used in all future resource modelling. It is also strongly recommended that independent duplicate check samples from the underground workings are collected to verify the earlier mapping and sampling results, twin diamond drill holes of the earlier Minerex drill holes drilled to verify the earlier drill sampling results, several additional diamond drill holes are drilled below the current wireframed veins to intersect the main pegmatite veins at about 1100mRL to verify the Mine-It "Indicated" and "Inferred" resources.

Once the deposit has been re-modelled with the new data, new resource estimates can be made, and depending on the success of the data compilation, twinned drilling and duplicate sampling, will reasonably allow a JORC Code (2012) compliant resource to be estimated. If the earlier drilling and sampling results are confirmed by the newer drilling and, after economic and mining parameters have been applied, the resources in the veins immediately above and below the underground workings to the extent of the underground drilling could probably be expected to be in the Measured category, the veins intersected by at least three drill holes no further than 50m apart on the main cross sections to be Indicated and to the extent of the remainder of the drilling along strike and at depth not included in the Measured and Indicated resource estimates to be Inferred.

Further resources are likely if further diamond drilling is initiated at Zone 2, where boulder mapping and limited drilling has identified AH and MH pegmatites in Zone 2 verifying the geological interpretation that Zone 2 is the southern limb of an anticline with the potential to repeat the main deposit in the north.

Mining and metallurgical methods and parameters

Minerex undertook mineral processing studies between 1982 and 1987 on selected samples from the Wolfsberg pegmatites at the Minerals Research Laboratory of the North Carolina State University College of Engineering (NCSU). This laboratory was chosen because the main focus of its research is the beneficiation of industrial minerals.

As a result of the NCSU flotation and magnetic separation test work, spodumene concentrates with Li_2O grades >6% with spodumene recoveries of over 85% could be produced from both high grade and low grade ores contaminated with 10% amphibolite or 10% mica schist.

Furthermore, ceramic grade feldspar could also be produced with feldspar recoveries of >90% at concentrate grades of >86% feldspar from both ore types. The recovered feldspar amounted to 28-32% of the head feed. Glass quality quartz concentrate was also produced from both ore types with recoveries ranging from 15-17% of the head feed achieved. A mica concentrate was also considered a possible by-product using screening after milling.

Spodumene concentrates were then tested at the Versuchsanstalt fur Chemie der Hoheren Bundeslehr und Versuchsanstalt fur Chemische Industrie laboratory in Vienna for conversion to lithium carbonate. A 96% Li_2CO_3 product was produced at a 93% recovery from a 6% Li_2O spodumene concentrate.

In 1987 a pilot plant test was set up at North Carolina State University to produce Mica, Feldspar, Quartz and Spodumene saleable products. From this work at an estimated mining and processing rate of 150,000 tonnes per annum (TPA) 25,000 TPA Spodumene Concentrate (6% Li_20), 49,500 TPA Feldspar, 24,500 TPA Quartz (as Silica Sand) and 3,375 TPA Mica could be produced. In all 74% of the mined pegmatite produced a saleable product leaving only 26% of the material as waste – which could be sold as road base.

In 1987 Austroplan completed laboratory scale tests producing Lithium Carbonate from a Spodumene Concentrate returning recoveries of 93%.

Two 500 tonne bulk samples were collected by the Company in late 2013 from AHP and MHP veins and it was estimated that dilution during mining with host rock was about 15%. These bulk samples were crushed at the KMI plant facility and regular samples of crushed product were taken. In all 15 x 15kg samples of crushed ore from each of the AHP and MHP samples were taken and sent to the Institute of Mineral Processing at Montanuniversitaet Leoben for sample preparation prior to chemical analysis.

In addition, channel samples were taken at the mining face after every blast. A total of 20 samples from AHP and 26 samples from MHP were taken and prepared for analysis at Montanuniversitaet Leoben. This sample preparation work has just been completed and the samples are ready for chemical analysis.

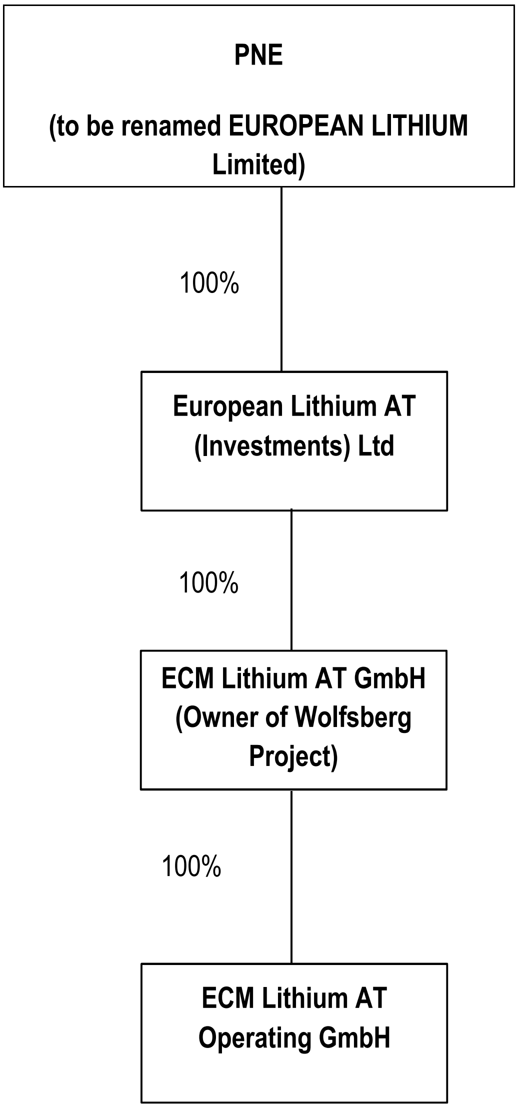
Duplicate samples and remaining samples are retained at Montanuniversitaet Leoben. The bulk mine samples are safely stored by KMI at their facilities. This material will be utilised for metallurgical testing to improve earlier recovery rates, product specifications and design parameters using more modern technologies.

Competent Persons Statement

The information in this report which relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Allen Maynard, who is a Member of the Australian Institute of Geosciences ("AIG"), a Corporate Member of the Australasian Institute of Mining & Metallurgy ("AusIMM") and independent consultant to the Company. Mr Maynard is the Director and principal geologist of Al Maynard & Associates Pty Ltd and has over 35 years of exploration and mining experience in a variety of mineral deposit styles. Mr Maynard has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves".(JORC Code). Mr Maynard consents to inclusion in the report of the matters based on this information in the form and context in which it appears.

Paul Lloyd
Chairman
Paynes Find Gold Limited

APPENDIX A – CORPORATE STRUCTURE POST TRANSACTION



APPENDIX B – INDEPENDENT COMPETENT PERSONS REPORT

AL MAYNARD & ASSOCIATES Pty Ltd

Consulting Geologists

www.geological.com.au (ABN 75 120 492 435)

9/280 Hay Street,	*Tel: (+618) 9388 1000*	*Mob: (+61) 403 049 449*
SUBIACO, WA, 6008	*Fax: (+618) 9388 1768*	*al@geological.com.au*
Australia		

Australian & International Exploration & Evaluation of Mineral Properties

AN INDEPENDENT COMPETENT PERSONS REPORT ON THE

Wolfsberg Lithium Project

In The Province of Carinthia, Austria

Prepared for

European Lithium Ltd
ZAI Corporate Finance Limited
Fox Davies Capital Limited

Prepared by:

A.J. Maynard BAppSc(Geol), MAIG, MAusIMM

Date: 9th October, 2014

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AL MAYNARD & ASSOCIATES Pty Ltd

Consulting Geologists

www.geological.com.au *(ABN 75 120 492 435)*

9/280 Hay Street,	*Tel: (+618) 9388 1000*	*Mob: 04 0304 9449*
SUBIACO, WA, 6008,	*Fax: (+618) 9388 1768*	*al@geological.com.au*
Australia		

Australian & International Exploration & Evaluation of Mineral Properties

The Directors
European Lithium Ltd
PO Box 173
Kingston Chambers
Road Town, Tortola
British Virgin Islands

9th October, 2014

ZAI Corporate Finance Ltd
1 Hobhouse Court
Suffolk Street, London SW1Y 4HH
United Kingdom

Fox-Davies Capital Ltd
1 Tudor Street
London EC4Y 0AH
United Kingdom

Wolfsberg Lithium Project, Weinebene, Carinthia, Austria

Executive Summary

Background

On 6th April, 2014 European Lithium Ltd ("Euro") commissioned Al Maynard and Associates ("AM&A") to prepare an independent geological report to be presented as a Competent Person's Report ("CPR") on the Wolfsberg Lithium Project to be included in an Admission Document for an application by Euro to be admitted to trading on the AIM Market ("AIM") subset of the London Stock Exchange plc ("LSE").

Euro owns the Wolfsberg lithium assets, held through BVI and Austrian companies.

In preparing this CPR, AM&A has observed the guidelines of the LSE's "AIM Note for Mining and Oil & Gas Companies – June 2009" and the Guidelines for Assessment and Valuation of Mineral Assets and Mineral Securities for Independent Expert reports (the VALMIN Code) which is binding on members of the Australasian Institute of Mining and Metallurgy ("AusIMM") and the Australian Institute of Geoscientists ("AIG").

The review of historical resource estimates and historical reserves has been prepared using the guidelines of the Australian JORC Code (2004) with additional information from the 2012 JORC Code provided in the form of the Code's "Table 1" below.

The Wolfsberg Lithium Project is located 20 km from Wolfsberg, in the community of St Gertraud, Austria (Figure 1) and consists of 11 granted Mining Licences and 54 granted exploration licences, Table 1.

The original 22 exploration licences, tenement numbers 1-22 in Table 1 below, were prolonged for another five years by decree of the Mining Authority on 22nd September, 2014 with new licence expiry dates of 31 December 2019.

Another 32 exploration licences, tenement numbers 23-54 in Table 1 below, were granted by the Mining Authority on 20th October, 2011. These 32 licences overlap the original 22 licences in order to 'secure' the licence pattern as extra security as it prevents the very small chance of a third party attempting to file for a mining licence on the property.

Tenement Number	Exploration Licence Centroid ID	Holder	Interest (%)	Status	Licence Expiry Date	Licence Area (Hectares)
1	104/96	ECM Lithium AT GmbH	100	Exploration	31/12/2019	56.7*
2	105/96	ECM Lithium AT GmbH	100	Exploration	31/12/2019	56.7*
3	106/96	ECM Lithium AT GmbH	100	Exploration	31/12/2019	56.7*
4	107/96	ECM Lithium AT GmbH	100	Exploration	31/12/2019	56.7*
5	108/96	ECM Lithium AT GmbH	100	Exploration	31/12/2019	56.7*
6	109/96	ECM Lithium AT GmbH	100	Exploration	31/12/2019	56.7*
7	110/96	ECM Lithium AT GmbH	100	Exploration	31/12/2019	56.7*
8	111/96	ECM Lithium AT GmbH	100	Exploration	31/12/2019	56.7*
9	112/96	ECM Lithium AT GmbH	100	Exploration	31/12/2019	56.7*
10	113/96	ECM Lithium AT GmbH	100	Exploration	31/12/2019	56.7*
11	114/96	ECM Lithium AT GmbH	100	Exploration	31/12/2019	56.7*
12	115/96	ECM Lithium AT GmbH	100	Exploration	31/12/2019	56.7*
13	116/96	ECM Lithium AT GmbH	100	Exploration	31/12/2019	56.7*
14	117/96	ECM Lithium AT GmbH	100	Exploration	31/12/2019	56.7*
15	118/96	ECM Lithium AT GmbH	100	Exploration	31/12/2019	56.7*
16	119/96	ECM Lithium AT GmbH	100	Exploration	31/12/2019	56.7*
17	120/96	ECM Lithium AT GmbH	100	Exploration	31/12/2019	56.7*
18	121/96	ECM Lithium AT GmbH	100	Exploration	31/12/2019	56.7*
19	122/96	ECM Lithium AT GmbH	100	Exploration	31/12/2019	56.7*
20	123/96	ECM Lithium AT GmbH	100	Exploration	31/12/2019	56.7*
21	124/96	ECM Lithium AT GmbH	100	Exploration	31/12/2019	56.7*
22	125/96	ECM Lithium AT GmbH	100	Exploration	31/12/2019	56.7*
23	370/11(611/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
24	371/11(612/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
25	372/11(613/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
26	373/11(614/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*

27	374/11(615/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
28	375/11(616/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
29	378/11(619/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
30	379/11(620/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
31	380/11(621/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
32	381/11(622/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
33	382/11(623/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
34	383/11(624/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
35	384/11(625/11)	ECM lithium AT GmbH	100	Exploration	31/12/2015	56.7*
36	386/11(627/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
37	387/11(628/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
38	388/11(629/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
39	389/11(630/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
40	390/11(631/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
41	391/11(632/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
42	392/11(633/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
43	394/11(636/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
44	395/11(637/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
45	396/11(638/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
46	397/11(639/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
47	398/11(640/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
48	400/11(645/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
49	401/11(646/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
50	402/11(647/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
51	403/11(648/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
52	408/11(648/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
53	409/11(641/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
54	412/11(649/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
55	Andreas 1	ECM Lithium AT GmbH	100	Mining	Indefinite**	4.8***
56	Andreas 2	ECM Lithium AT GmbH	100	Mining	Indefinite**	4.8***
57	Andreas 3	ECM Lithium AT GmbH	100	Mining	Indefinite**	4.8***
58	Andreas 4	ECM Lithium AT GmbH	100	Mining	Indefinite**	4.8***
59	Andreas 5	ECM Lithium AT GmbH	100	Mining	Indefinite**	4.8***
60	Andreas 6	ECM Lithium AT GmbH	100	Mining	Indefinite**	4.8***
61	Andreas 7	ECM Lithium AT GmbH	100	Mining	Indefinite**	4.8***
62	Andreas 8	ECM Lithium AT GmbH	100	Mining	Indefinite**	4.8***
63	Andreas 9	ECM Lithium AT GmbH	100	Mining	Indefinite**	4.8***
64	Andreas 10	ECM Lithium AT GmbH	100	Mining	Indefinite**	4.8***
65	Andreas 11	ECM Lithium AT GmbH	100	Mining	Indefinite**	4.8***

Table 1: Summary of Assets.

*Exploration Licences overlap each other, **Mining licences are granted indefinitely providing annual work commitments are met ***Mining Licences overlap Exploration Licences (see description in Tenure section of this report)

The project is close to supporting infrastructure, roads, rail and cities. Other mining activities are already established in the area. This project has a strategic location for mining and supply of lithium to European markets.

Figure 1: Location of the Wolfsberg Lithium Project, Austria.

Trial mining of the project was completed in the 1980s. The project has a consolidated land holding of exploration licences with associated mining permits and a significant potential exploration upside exists with the mineralisation remaining open in all directions.

Mine-It/Miller estimated a JORC Code (2004) Measured resource of 3.7 million tonnes at 1.5% Li_2O at a lower cut-off of 0.75% Li_2O, Indicated resource of 3.2Mt at 1.2% Li_2O and Inferred resource of 10Mt at 1.2% Li_2O, supported by:

- 35 surface trench excavations with 200 samples,
- 78 surface diamond drill holes for 12,012 metres,
- 34 underground diamond drill holes for 4,715 metres,
- 1,389m of decline and underground mine development with channel sampling of the pegmatite dykes –and 1,607 assays

Although the Mine-It/Miller resource classifications of Measured, Indicated and Inferred were considered valid under JORC Code (2004) guidelines they are not valid under JORC Code (2012) guidelines. The lack of original source documentation on the drilling methods and core recoveries, procedures followed when sampling the diamond core, QA/QC procedures followed during the core sampling and chemical analyses,

AM&A have revised the resource classifications as follows: Mine-It/Miller and JORC Code (2004) "Measured" to JORC Code (2012) Inferred and Mine-It/Miller and JORC Code (2004) "Indicated" and "Inferred" to JORC Code (2012) Exploration Targets.

The deposit known as Zone 1 has been drilled down dip to a maximum depth of 450 metres. Lithium ("Li") bearing pegmatite veins up to 5.5 m wide were intersected and the ore body remains open along strike to the northwest and down dip. In addition, there is an exploration target known as Zone 2 which has been demonstrated to be the southern limb of an anticline of which the northern limb, Zone 1, has been the focus of all the exploration to date.

The Lithium (Li) price is forecast to remain strong (Roskill, 2013) with the global lithium demand increasing. There are no local producers of lithium in the region.

Exploration work completed to date includes geological mapping, structural mapping and interpretation, geochemical soil surveys, pitting, trenching, drilling, development of an underground access decline and drives along selected veins, underground trial mining and excavation of two 500t bulk samples from each of the two ore types.

In general, the exploration results have been very positive, identifying substantial resources of lithium mineralisation which European Lithium Ltd intends to further explore and evaluate with a view to delineating additional high grade commercially viable lithium resources.

It is the opinion of the Competent Person that with further exploration this project has the potential to host additional economic lithium resources and warrants further detailed exploration. Future exploration programs are expected to comprise a range of exploration techniques with a focus on trenching, geophysical surveys where applicable, (to provide further insight into local structural features that may have influenced control on mineralisation emplacement) and subsequent drilling and evaluation.

For the preparation of this report, the Company has made available all the relevant data it possesses including copies of publically available technical reports produced by third parties.

AM&A geologist Allen Maynard undertook site visits in conjunction with senior technical personnel to the project between 11th and 19th November, 2011 and again between 15th to 17th April, 2014, visiting and examining the mine workings as well as the potentially significant anomalous zones nearby in order to properly understand the local geology, operating conditions and to inspect, review and collate all the data including original geological reports and sample data, maps, drill core and any other documentation that may be relevant to the quality assurance of this CPR.

All data and reports (not deemed confidential) were provided to AM&A in preparation of the report and Euro and its directors have warranted to AM&A that full disclosure has been made of all material in their possession, and, that to the best of their knowledge this information is complete, accurate and true.

Qualifications of Competent Person

This CPR was written and prepared by Al Maynard and Associates Pty Ltd ("AM&A") which is an independent geological consultancy, not a sole trader, established 25 years ago. Neither AM&A nor any of its directors, employees or associates have any material interest either direct, indirect or contingent in Euro nor in any of the mineral properties included in this report nor in any other asset of Euro nor has such an interest existed in the past. This report was prepared by AM&A strictly in the role of the Competent Person. Professional fees payable for the preparation of this report constitute the only commercial interest in Euro. Payment of fees is in no way contingent upon the conclusions of this report or the admission of Euro to AIM.

All data and information presented in this CPR was current and available up to and including 9th October, 2014.

Description of Resources and Reserves

Current resources have been defined with regard to the Wolfsberg Lithium Project. Accordingly, the Summary of Reserves and Resources by Status table as set out in Appendix 3 of the 'AIM Note for Mining and Oil & Gas Companies – June 2009' is provided below, Table 2.

Category	Gross			Net attributable			Operator
	Tonnes (millions)	Grade Li_2O%	Contained metal ('000 tonnes)	Tonnes (millions)	Grade (Li_2O %)	Contained metal ('000 tonnes)	
Ore/Mineral reserves per asset	0			0			
Proved	0			0			
Probable	0			0			
Sub-total	0			0			
Mineral resources per asset							
Measured	0			0			
Indicated	0			0			
Inferred	3.7	1.5	55.5	3.7	1.5	55.5	ECM Lithium AT GmbH
Totals	3.7	1.5	55.5	3.7	1.5	55.5	ECM Lithium AT GmbH

Source: A. Maynard, 2014

Note: "Operator" is name of the company that operates the asset

"Gross" are 100% of the **reserves** and/or **resources** attributable to the licence whilst "Net attributable" are those attributable to the **AIM company**

Table 2: Summary of Reserves and Resources by Status.

Data Sources

The data contained in this report was sourced from published documents and papers, as outlined in the references and bibliography section at the end of the report. A.J Maynard conducted a field examination of the project during November, 2011 and April, 2014 and held discussions with personnel directly involved with the Wolfsberg Lithium operations.

Reliance on Other Experts

The qualified person (QP) preparing this technical report has relied on reports prepared by Mine-It (Dr Thomas Oberndorfer) regarding their resource estimates. The qualified person disclaims responsibility for the information not directly originated by his own work but accepts and relies upon the results provided by Mine-It after satisfying himself that the work meets expected industry standards.)

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules for Companies, AM&A is responsible for this Report as part of the AIM Admission Document and has taken all reasonable care to ensure that the information contained in this Report is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the AIM Admission Document in compliance with Schedule Two of the AIM Rules for Companies.

We hereby consent to the publication and use of this CPR by Euro, in both electronic and paper form, including the Euro website, in the form and context in which it appears.

AM&A is not aware of any material fact or material change with respect to the subject matter of this CPR that is not reflected in the CPR, the omission to disclose which would make the CPR misleading. AM&A is qualified to act as a Competent Person as that term is defined in the London Stock Exchange plc's Note for Mining and Oil & Gas Companies – June 2009.

We have reviewed the Admission Document dated 9th October, 2014 and confirm that the information contained in the Admission Document has been extracted directly from this CPR, has been presented in a manner which is not misleading and provides a balanced view of the information contained in the CPR and does not omit material information or disclose information selectively if to do so would be misleading to the reader. We also confirm that the information contained in the Admission Document which relates to information in this CPR is accurate, balanced and complete and not inconsistent with this CPR.

Property Description and Location

The Wolfsberg Project is located in Carinthia, the southernmost province of Austria approximately 20 km east of the town Wolfsberg and in the community of St Gertraud and approximately 270 km to the south-west of Austria's capital city Vienna Figure 1.

The names "Koralpe" and "Weinebene" have both been previously used for the deposit location.

Approximate geographic coordinates for the project area are 46° 50' 11"N latitude and 14° 59' 17"E longitude.

Tenure

In Austria, the legal basis for mining is the Mineralrohstoffgesetz of 1999 ("MinroG). Exploration for Free-for-Mining("bergfreie") raw materials, including lithium, requires an Exploration Licence (Schurfberechtigung) which must be obtained from the Ministry for Industry and Labour ("Mining Authority"). This gives the holder the exclusive right to explore for "bergfreie" minerals. Each Exploration Licence is circular in shape with a radius of 425 metres (equivalent to an area of 0.567 km2). To define an exploration area with complete coverage of circular licences, the circles must overlap. To provide 100% coverage a "normal" pattern of circles is used in which three overlap at a common midpoint (Figure 2). However, under Austrian law, it is possible for another organisation to apply and gain a mining licence for an area without the prior ownership of an exploration licence covering that same area. All the alternate company needs to do is demonstrate the feasibility of their mining project in order to purchase the mining licence. To counter this potential risk it is possible to employ a "secure pattern" of exploration licences in which six adjacent licences overlap at a central point. In this case the individual circles are too close together for a mining licence to be defined within the law. An exploration licence also gives the holder the right to exclude the granting of a mining licence to others within a rectangle of 48,000m², the centroid of which is identical with the central point of the exploration licence circle. The right to a reservation field "Vorbehaltsfeld" (one per exploration licence) has to be claimed via the Mining Authority at the latest on the occasion of the in situ hearing for the grant of a mining licence to another party. All applications for a mining licence are reviewed, and all contravening rights are checked, by the Mining Authority at an oral hearing convened on site.

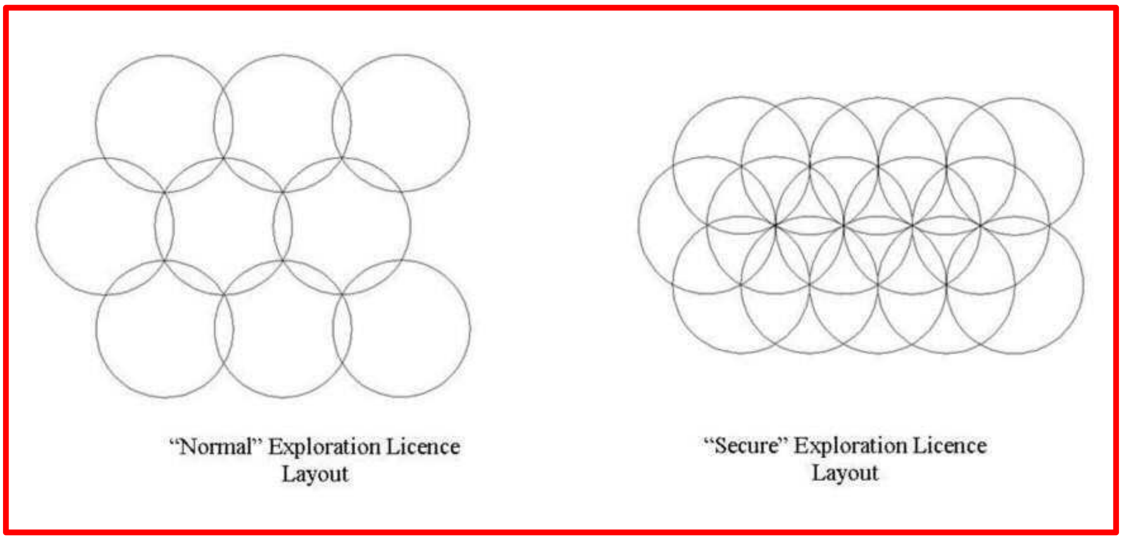

Figure 2: Exploration Licence Configuration.

Exploration Licences are granted for a five-year period. A precondition for undertaking exploration works is the submission of a works program to the Mining Authority. The exploration works have to be described in detail and a responsible person nominated with a permanent residence close to or on site to supervise the works and must be in permanent contact with the authorities. The works program has to be formally approved in writing by the Mining Authority. During each five-year period, the holder of an Exploration Licence is required to submit an annual exploration report on the performed works undertaken the previous year to the Mining Authority. The exploration licences can be renewed for a further 5 years term providing the exploration works reports have been approved for the preceding 5 years. Performing work in one licence is sufficient for the prolongation for up to 100 other exploration licences. There are no minimum expenditure requirements however there are annual Freischürfgebühren or prospecting fees of €8.72 per licence payable to the Mining Authority.

Prior to the commencement of exploration, the holder of a licence must first obtain surface access permission from the landowner. If permission for access is not forthcoming, the licence holder may apply to the Mining Authority for compulsory admission to the property determined on a case-by-case basis.

Should a mineral deposit be defined and deemed to be economic, a Bergwerksberechtigung (Mining Licence) may be applied for. Mining licences entitle the holder to exclusively mine "bergfreie" minerals and entitle the holder to exclusive title to the ore mined. Additionally, the holder of a mining licence is entitled to acquire title to "grundeigene" minerals which are all those not listed in Sec 3 and 4 of MinroG, which includes feldspar and quartz, if they result from the mining of "bergfreie" minerals. "Grundeigene" minerals are normally mineral resources owned by the landowner. Mining Licences are granted for an indefinite period subject to meeting the requirements of the mining law and are registered into the Mining Register. An annual fee of €26.00 is payable to the Mining Authority for each Mining Licence. A maximum of 16 rectangular mining licences, each with a surface area of up to 48,000m², may be granted to a single applicant. If less than 16 mining licences have been granted the applicant may apply for additional licences at any stage. There are no depth restrictions on a mining licence.

The holder of a Mining Licence is entitled to access underground water for use in extraction and processing operations. A Mining Licence also entitles the holder to engage in the treatment of minerals, as well as the use of mining and other operational equipment. However, additional permits are required under the Mining Act at each stage of development. These include, but are not limited to, Construction Permit, Operating Permit, Operating Vehicle Permit and Installation Permit.

On granting of an Exploration or Mining Licence, the ownership of the minerals is allocated to the owner of the licence. For this reason, there are no royalty payments on "bergfreie" mineral production to either the Regional or Federal authorities. Both Exploration and Mining Licences are transferable to third parties.

Additional laws dealing with occupational health and safety and the protection of the environment are not administered under the Mining Act. The Occupational Health and Safety Act is administered by the Arbeitsinspektorat (Department of Labour) in Salzburg, whilst the protection of the environment is the responsibility of two departments, the Bezirkshauptmannschaft (local environmental authority, or the mayor) and the Landesregierung (the provincial government).

Under Federal and Provincial Law, the local administrative authority is responsible for permitting and annual reporting of environmental issues, as well as providing the conduit for information between Alpine and the provincial government. The provincial government is responsible for administering and enforcing the Environmental Act.

The project consists of 54 Exploration Licences ("Els") covering a total non-overlapped area of 1,133 hectares with part of this same area covered by 11 Mining Licences for a total area of 52.8 hectares within the Els.

The original 22 exploration licences, Exploration Licence numbers 1-22 in Table 3 below, were prolonged for another five years by decree of the Mining Authority on 22nd September 2014 with new licence expiry dates of 31 December 2019. This was following submission of a report describing the exploration work undertaken in the previous 5 year term which fulfilled the requirement for prolongation of the licences.

The following 32 exploration licences, Exploration Licence numbers 23-54 in Table 3 below, were granted by the Mining Authority on 20th October 2011. These 32 licences overlap the original 22 licences in order to convert the 'normal' licence pattern to a 'secure' licence pattern as extra security as it prevents the very small chance of a third party attempting to file for a mining licence on the property.

Exploration Licence Number	Exploration Licence Centroid ID	Centroid East (GK M31)	Centroid North (GK M31)	Area (Hectares)	Date Granted	Date Expiry
1	104/96	124,300.00	5,190,600.00	56.7*	14/12/1992	31/12/2019
2	105/96	125,000.00	5,190,600.00	56.7*	14/12/1992	31/12/2019
3	106/96	125,700.00	5,190,600.00	56.7*	14/12/1992	31/12/2019
4	107/96	126,400.00	5,190,600.00	56.7*	14/12/1992	31/12/2019
5	108/96	123,950.00	5,190,000.00	56.7*	14/12/1992	31/12/2019
6	109/96	124,650.00	5,190,000.00	56.7*	14/12/1992	31/12/2019
7	110/96	125,350.00	5,190,000.00	56.7*	14/12/1992	31/12/2019
8	111/96	126,050.00	5,190,000.00	56.7*	14/12/1992	31/12/2019
9	112/96	126,750.00	5,190,000.00	56.7*	14/12/1992	31/12/2019
10	113/96	124,300.00	5,189,400.00	56.7*	14/12/1992	31/12/2019
11	114/96	125,000.00	5,189,400.00	56.7*	14/12/1992	31/12/2019
12	115/96	125,700.00	5,189,400.00	56.7*	14/12/1992	31/12/2019
13	116/96	126,400.00	5,189,400.00	56.7*	14/12/1992	31/12/2019
14	117/96	127,100.00	5,189,400.00	56.7*	14/12/1992	31/12/2019
15	118/96	124,650.00	5,188,800.00	56.7*	14/12/1992	31/12/2019
16	119/96	125,350.00	5,188,800.00	56.7*	14/12/1992	31/12/2019
17	120/96	126,050.00	5,188,800.00	56.7*	14/12/1992	31/12/2019

18	121/96	126,750.00	5,188,800.00	56.7*	14/12/1992	31/12/2019
19	122/96	127,100.00	5,190,600.00	56.7*	14/12/1992	31/12/2019
20	123/96	127,800.00	5,190,600.00	56.7*	14/12/1992	31/12/2019
21	124/96	127,450.00	5,190,000.00	56.7*	14/12/1992	31/12/2019
22	125/96	128,150.00	5,190,000.00	56.7*	14/12/1992	31/12/2019
23	370/11(611/11)	124,300.00	5,191,000.00	56.7*	20/10/2011	31/12/2015
24	371/11(612/11)	125,000.00	5,191,000.00	56.7*	20/10/2011	31/12/2015
25	372/11(613/11)	125,700.00	5,191,000.00	56.7*	20/10/2011	31/12/2015
26	373/11(614/11)	126,400.00	5,191,000.00	56.7*	20/10/2011	31/12/2015
27	374/11(615/11)	127,100.00	5,191,000.00	56.7*	20/10/2011	31/12/2015
28	375/119615/11)	127,800.00	5,191,000.00	56.7*	20/10/2011	31/12/2015
29	378/11(619/11)	123,950.00	5,190,400.00	56.7*	20/10/2011	31/12/2015
30	379/11(620/11)	124,650.00	5,190,400.00	56.7*	20/10/2011	31/12/2015
31	380/11(621/11)	125,350.00	5,190,400.00	56.7*	20/10/2011	31/12/2015
32	381/11(622/11)	126,050.00	5,190,400.00	56.7*	20/10/2011	31/12/2015
33	382/11(623/11)	126,750.00	5,190,400.00	56.7*	20/10/2011	31/12/2015
34	383/11(624/11)	127,450.00	5,190,400.00	56.7*	20/10/2011	31/12/2015
35	384/11(625/11)	128,150.00	5,190,400.00	56.7*	20/10/2011	31/12/2015
36	386/11(627/11)	123,600.00	5,189,800.00	56.7*	20/10/2011	31/12/2015
37	387/11(628/11)	124,300.00	5,189,800.00	56.7*	20/10/2011	31/12/2015
38	388/11(629/11)	125,000.00	5,189,800.00	56.7*	20/10/2011	31/12/2015
39	389/11(630/11)	125,700.00	5,189,800.00	56.7*	20/10/2011	31/12/2015
40	390/11(631/11)	126,400.00	5,189,800.00	56.7*	20/10/2011	31/12/2015
41	391/11(632/11)	127,100.00	5,189,800.00	56.7*	20/10/2011	31/12/2015
42	392/11(633/11)	127,800.00	5,189,800.00	56.7*	20/10/2011	31/12/2015
43	394/11(636/11)	123,950.00	5,189,200.00	56.7*	20/10/2011	31/12/2015
44	395/11(637/11)	124,650.00	5,189,200.00	56.7*	20/10/2011	31/12/2015
45	396/11(638/11)	125,350.00	5,189,200.00	56.7*	20/10/2011	31/12/2015
46	397/11(639/11)	126,050.00	5,189,200.00	56.7*	20/10/2011	31/12/2015
47	398/11(640/11)	126,750.00	5,189,200.00	56.7*	20/10/2011	31/12/2015
48	400/11(645/11)	124,300.00	5,188,600.00	56.7*	20/10/2011	31/12/2015
49	401/11(646/11)	125,000.00	5,188,600.00	56.7*	20/10/2011	31/12/2015
50	402/11(647/11)	125,700.00	5,188,600.00	56.7*	20/10/2011	31/12/2015
51	403/11(648/11)	126,400.00	5,188,600.00	56.7*	20/10/2011	31/12/2015
52	408/11(634/11)	-100,338.24	5,189,262.11	56.7*	20/11/2011	31/12/2015
53	409/11(641/11)	-101,410.30	5,188,702.69	56.7*	20/10/2011	31/12/2015
54	412/11(649/11)	-101,782.93	5,188,116.53	56.7*	20/10/2011	31/12/2015

Table 3: Coordinates for Wolfsberg Project Exploration Licences.

** These Exploration Licences overlap so the total non-overlapped area covered is 1,488 hectares of which 1,133 hectares is 'secure'.*

Licence Name	Corner	Easting (GK M31)	Northing (GK M31)	Area (Hectares)	Date Granted
Andreas 1	1	126,424.34	5,190,354.04	4.8*	22/03/2011
	2	126,813.21	5,190,260.30		
	3	126,785.09	5,190,143.65		
	4	126,396.22	5,190,237.38		
Andreas 2	1	126,396.22	5,190,237.38	4.8*	22/03/2011
	2	126,785.09	5,190,143.65		
	3	126,756.97	5,190,026.99		
	4	126,368.10	5,190,120.72		
Andreas 3	1	126,368.10	5,190,120.72	4.8*	22/03/2011
	2	126,756.97	5,190,026.99		
	3	126,728.85	5,190,910.33		
	4	126,339.99	5,190,004.06		
Andreas 4	1	126,786.33	5,190,075.79	4.8*	22/03/2011
	2	126,175.20	5,190,982.06		
	3	126,147.08	5,190,865.40		
	4	126,758.21	5,190,959.13		
Andreas 5	1	126,758.21	5,190,959.13	4.8*	22/03/2011
	2	126,147.08	5,190,865.40		
	3	126,118.96	5,190,748.74		
	4	126,730.09	5,190,842.47		
Andreas 6	1	126,189.26	5,190,040.39	4.8*	22/03/2011
	2	126,578.12	5,189,946.66		
	3	126,555.00	5,189,830.00		
	4	126,161.14	5,189,923.73		
Andreas 7	1	126,161.14	5,189,923.73	4.8*	22/03/2011
	2	126,555.00	5,189,830.00		
	3	126,521.88	5,189,713.34		
	4	126,133.02	5,189,807.07		
Andreas 8	1	126,133.02	5,189,807.07	4.8*	22/03/2011
	2	126,521.88	5,189,713.34		
	3	126,493.76	5,190,596.68		
	4	126,104.90	5,190,690.41		
Andreas 9	1	126,578.12	5,189,946.66	4.8*	22/03/2011
	2	126,966.98	5,189,852.93		
	3	126,938.86	5,189,736.27		
	4	126,555.00	5,189,830.00		
Andreas 10	1	126,555.00	5,189,830.00	4.8*	22/03/2011
	2	126,938.86	5,189,736.27		
	3	126,910.74	5,189,619.61		
	4	126,521.88	5,189,713.34		
Andreas 11	1	126,521.88	5,189,713.34	4.8*	22/03/2011
	2	126,910.74	5,189,619.61		
	3	126,882.62	5,189,502.95		
	4	126,493.76	5,189,596.68		

Table 4: Wolfsberg Mining Licences Coordinates.

** All these Mining Licences covering a total of 52.8 hectares overlap Exploration Licences.*

NOTE: All coordinates in this report use the Austrian GK (Gauss-Krüger) datum with three reference strips (M31 used for the Wolfsberg project).

There is no expiry date on a mining licence provided the annual work requirement has been met. The bulk mine samples taken in 2013 fulfilled the mining requirements for that year. The company applied for an exemption from undertaking additional mining whilst technical studies are in progress and an exemption from mining for the years 2014 and 2015 was received from the Mining Authority on 29th January, 2014.

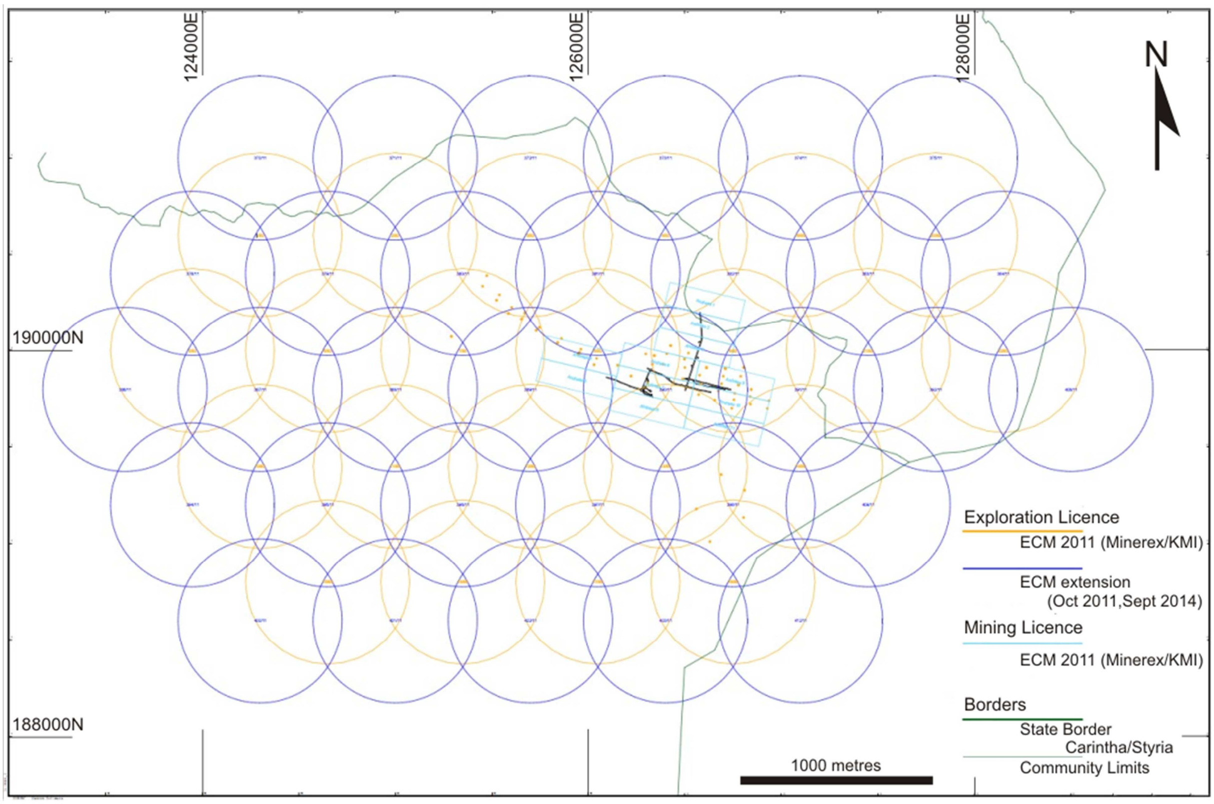

Figure 3: Exploration Licences and Mining Licences Location and Configuration.

Environmental Regulations

As with other advanced European industrialised nations, growing environmental awareness in Austria has acted as a catalyst for the enactment of new environmental laws creating an increasingly complex web of statutes and regulations that the industry must thoroughly understand in order to ensure full compliance with the law. Despite the fact that Austria has a long and varied history of mining, there is very little mining industry today and there is broad political consensus in favour of more stringent environmental regulations in Austria.

Environmental law in Austria is based on administrative law. Consequently the authorities of general administration (Behörden der allgemeinen staatlichen Verwaltung) are responsible for the administration of environmental laws, so enforcement and administration of environmental law follow general administrative proceedings rules. At the federal level, such authorities are the district authorities (Bezirksverwaltungsbehörden); the governors of the states (Landeshauptmann); and the Minister for Agriculture, Forestry, Environment and Water Management (Bundesminister für Landund Forstwirtschaft, Umwelt und Wasserwirtschaft). At the state level, the authorities of general administration are the district authorities (Bezirksverwaltungsbehörden) and the government of each state (Landesregierung).

Concerning environmental issues, two specialised agencies or authorities, apart from the general administrative organisation, are important: the Federal Environment Agency (Umweltbundesamt); and the independent panels of environmental review (Umweltsenat). The Federal Environment Agency is in charge of monitoring and documenting the environmental situation in Austria, whereas the independent environmental panels hear appeals for projects involving an environmental assessment.

In the last decade, Parliament has sought to ease the burden on public agencies by including private persons in administrative matters. The Environmental Management Act (Umweltmanagementgesetz) establishes an accreditation system for audits (Prüfer) of production facilities in respect of environmental matters. Operators of production plants must deliver an environmental audit report every five years. Such reports may be written by auditors that may be chosen directly by the operator. Such auditors are allowed to issue environmental statements which act as a substitute for permits otherwise issued by administrative authorities regarding alteration to plants.

Auditors must be qualified and are subject to a strict supervisory system.

The Austrian environmental administrative authorities do not generally publish policies. Most of the important responsibilities for the enforcement of environmental laws lie with the nine states (Länder), where most laws are enforced by district authorities.

Labour Legislation

Austrian Labour Law consists of numerous legal provisions stipulated in many different laws regulating employment relationships. From a very general point of view labour law may be divided into law regarding provisions of employment contracts (individual labour law), industrial relations regulations (collective labour law), procedural labour law, and terms and conditions concerning health and safety at work.

Austrian Employment Legislation has traditionally drawn a distinction between waged (“Arbeiter”) and salaried (“Angestellte”) employees. Senior executives and members of managing boards traditionally have a special position in labour law. Certain restrictions and protective laws do not apply to them to the same extent as to non-executive employees. As far as statutory law is concerned, the distinction between salaried and waged employees has by now lost much of its significance. However, there remain differences between applicable social insurance systems, the election of works councils, membership of trade unions, severance payment regulations and the applicable notice period for each type of employee. Austria has a strong labour movement. The Austrian Trade Union Federation consists of about 1.5 million people, more than half of the waged and salaried workforce.

Taxation

Under Austrian law, a Company is subject to corporate income tax at a flat rate of 25% on income and capital gains, whether retained or distributed. This rate applies to resident companies with unlimited tax liability as well as non- resident companies subject to limited tax liability on their Austrian source income. The 25% rate has applied since 2005.

A minimum corporate income tax is levied on corporations subject to Austrian unlimited tax liability. The minimum tax due is as follows;

- €1,750 per year for limited liability companies
- €3,500 per year for joint stock companies
- €l,092 per year for newly incorporated companies for the first four quarters of incorporation.

There is no accumulated eamings tax levied in Austria. Income Tax levied on owners/shareholders may be deferred indefinitely by accumulating profits in a company. Local business tax was abolished with effect from l January 1994. Since that date there has been a local authority tax (community tax) on payroll.

Capital gains arising from the disposal of shares in an Austrian company are subject to 25% corporate income tax. Non-residents are subject to Austrian taxation only on certain Austrian source capital gains.

Royalties, Taxes and Fees

There is a royalty agreement between European Lithium Ltd and Exchange Minerals in which Exchange Minerals will receive a royalty of €1.50 per tonne of mineral product sold from the Wolfsberg tenements

Adequacy of Tenure

The Mining Licences provide sufficient suitable areas to construct all the necessary mine infrastructure including mineral processing plant as well as waste rock and mineral processing tailings disposal.

Since approximately 7% of the reported Measured and Indicated resource and 46% of the Inferred resource lies outside of the area covered by the Mining Licences, but still within the area covered by the Exploration licences, the Company will be applying for additional Mining Licences to cover all the known resource area.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Accessibility

The nearest town, approximately 20 km west of the project area, is Wolfsberg situated within the Lavanttal Alps, west of the Koralpe range in the valley of the Lavant River, a left tributary of the Drava. In the northeast, the road up to the Packsattel mountain pass connects Wolfsberg with Voitsberg in Styria. Wolfsberg's municipal area of 279 km2 and is the fourth largest in Austria.

Wolfsberg is linked to Vienna by rail and to surrounding cities and towns by a network of paved roads. The project area is linked to Wolfsberg to the west and Deutschlandsberg to the east by paved roads. Several paved and gravel roads cross the project area providing ready access all through the year to the mine adit as well as local farms and a ski resort.

Climate

Austria's climate is generally moderate and mild but varies from the Alpine region to the eastern plain. Summers can be hot and long with average summer temperatures that range from 20°C to 30°C. The average winter temperatures are around 0°C. Snowfalls on the mountains in spring and autumn are common.

The Carinthia region in which the mine is located has a continental climate, with hot and moderately wet summers and long harsh winters. In recent decades winters have been exceptionally arid.

The average amount of sunshine hours is the highest in Austria. In autumn and winter temperature inversions often dominate, characterized by still air with a dense fog and trapped pollution forming smog covering the frosty valleys, while mild sunny weather is recorded higher up in the foothills and mountains.

Klagenfurt, the capital of the federal state of Carinthia and approximately 45 km south-west from Wolfsberg, has a typical Continental climate -

Table 5, with a fair amount of fog throughout the autumn and winter.

The rather cold winters are, however, broken by occasional warmer periods due to foehn wind from the Karawanken mountains to the south. The average temperature from 1961 to1990 is 7.1 °C, while the average temperature in 2005 was 9.3 °C.

The main exploration season is from May to October with mining possible all through the year.

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
Record high °C	16.4	21.5	24	26.7	31.4	33.1	35.8	35.5	29.7	26.3	18.3	16.6	35.8
Average high °C	0.3	4.4	10.3	14.9	20.2	23.4	25.5	25.1	20.6	14.2	5.8	0.8	13.8
Daily mean °C	−4.0	−1.4	3.6	8.3	13.7	16.9	18.8	18.2	13.8	8.2	1.7	−2.7	7.9
Average low °C	−7.2	−5.4	−1.3	2.8	7.8	11.1	12.9	12.7	9	4.3	−1.0	−5.2	3.4
Record low °C	−25.1	−25.6	−19.1	−5.9	−2.2	1.9	3	3.4	−1.6	−8.9	−17.4	−21.8	−25.6
Precipitation mm	30.9	35.2	50.2	64.5	78.5	113.5	117.6	98.6	89.7	82.9	78.9	48.9	889.4
Snowfall cm	17.5	20.4	9.9	5.1	0.8	0	0	0	0	0.3	10.1	20	84.1
Avg. precipitation days (≥ 1.0 mm)	5.1	4.9	6.2	8	9.6	11.5	10.2	9.4	7.2	7.3	7.1	5.4	91.9
Avg. snowy days (≥ 1.0 cm)	23.1	18.5	8.2	1.1	0.2	0	0	0	0	0.1	5	15.9	72.1
Mean monthly sunshine hours	78.8	123	158.3	175.2	212.5	217.5	241.2	233	180.5	125.6	66	57.4	1,869

Table 5: Climate data for Klagenfurt (data sourced from Austrian *Central Institute for Meteorology and Geodynamics).*

Local Resources

Carinthia's main industries are tourism, electronics, engineering, forestry, and agriculture. The multinational corporations Philips and Siemens have large operations there.

The project area is readily accessible to sufficient skilled workers, electricity, water, communications and transport to meet the needs of a moderate sized underground mine with mineral processing plant.

Physiography

The Wolfsberg project is situated along a gently sloping mountain ridge called Brandrucken at an elevation between 1,450 and 1,750 metres above sea level. The area is part of a mountain chain called "Koralpe" that forms the border between Carinthia and the neighbouring Austrian province of Styria.

The Mining Licence is mainly covered by areas of pine forest with scattered cleared grazing areas. Immediately east of the Mining Licence are a series of cleared snow ski slopes.

Lithium – Uses and Marketing

According to Roskill Information Services Ltd., in 2012, the lithium market by volume totalled 150,200t lithium carbonate equivalent (LCE), with an estimated value of around US$2.2B. There are eight main lithium products ranging from low-value technical-grade minerals through to high-value organolithium. The lithium for these products comes from either hard rock mines such as the type exemplified by the currently (non-producing) Wolfsberg project or from salt lake brines in various countries.

Uses

Consumption of lithium has shown strong growth since the beginning of the millennium, increasing from just over 68,000t LCE in 2000 to 150,200t in 2012, an average annual growth rate of 6.8% per annum. Growth in consumption has been led by the rechargeable battery market, which accounted for 27% of the total lithium consumption in 2012, a more than ten-fold increase from the 4% market share it held in 2000.

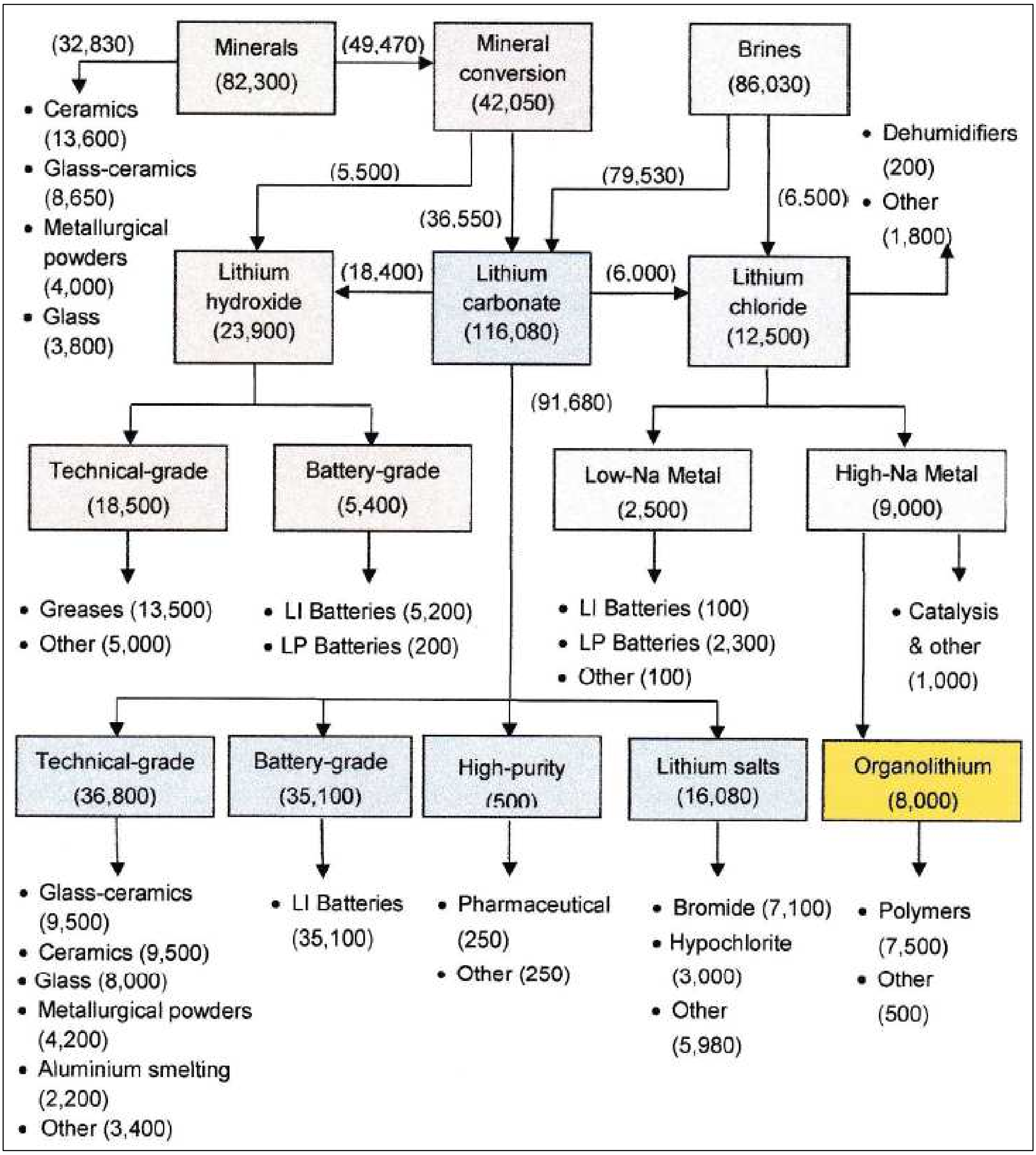

Figure 4: World Lithium Uses and Markets (Roskill Information Services Limited, 2013, www.roskill.com).

Demand for rechargeable lithium batteries has increased significantly because of rapid expansion in the portable consumer electronics sector. Almost all cellular phones and portable computers incorporate lithium rechargeable batteries because of their higher energy density and lighter weight than the common alternatives. Lithium rechargeable batteries have also been gaining market share in other markets including power tools and electric bicycles and more recently extended to use in electric vehicles and large-scale energy storage systems.

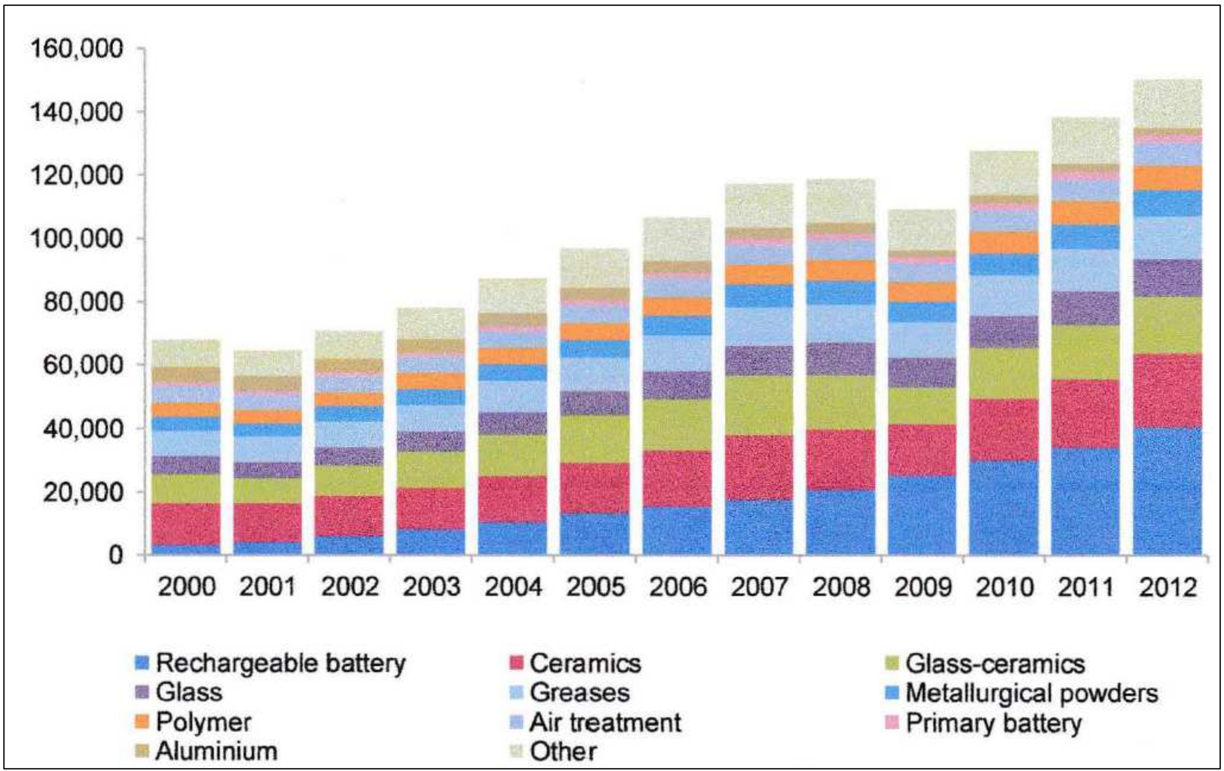

Figure 5: Consumption of Lithium by End Use (2000-2012) (Roskill Information Services Limited, 2013, www.roskill.com).

The majority of lithium is, however, consumed in the manufacture of lower value industrial and construction related products such as glass, ceramics, glass-ceramics, greases, metallurgical powders, polymers and aluminium accounting for 35% of total consumption in 2012. Other lithium products such as butylithium, lithium bromide and lithium metal together account for the remaining 20% of lithium consumption by product.

Production

Production from lithium brines in Chile, Argentina, the USA and China collectively accounted for 51% of global lithium output in 2012. Hard rock lithium mineral production from Australia, accounted for 40.5% of global lithium output in 2012, with lesser amounts produced in China (3 .7%) and Zimbabwe (3.2%).

The majority of lithium production is undertaken by the 'big four' companies: Talison Lithium in Australia, SQM in Chile, Rockwood Lithium in Chile and the USA, and FMC Lithium in Argentina. Together, these four companies produced 82.3% of global lithium output in 2012.

History

Minerex, an Austrian government company, discovered the Wolfsberg lithium deposit in 1981. Following extensive technical and commercial studies it was decided in 1988 not to develop the project.

The project was then taken over by Bleiberger Berwerksunion (BBU) a lead-zinc miner also operated by the Austrian Government. BBU abandoned their development plans three years later and all of the mineral tenements (Schurfrechte) as well as the underground infrastructure were sold to Karntner Montanindustrie GmbH (KMI). KMI continued to carry out all the necessary works and other requirements specified by the authorities to maintain the mine and its mining licence in good order.

In 2011, ECM Lithium AT GmbH acquired the Wolfsberg project from KMI. ECM Lithium AT GmbH was beneficially owned by Global Strategic Metals (80%) and Exchange Minerals, a private company, (20%) through the BVI company ECM Lithium AT (Holdings) Ltd. This company was renamed European Lithium Ltd and, following a demerger of Global Strategic Metals interest in the company through an in specie share distribution to shareholders, is the subject of the current AIM listing application.

Minerex Exploration

The Wolfsberg lithium project has been subject to extensive exploration by the original owners, Minerex-Explorationsgesellschaft GmbH (Minerex), between 1981 and 1987 concluding with a pre-feasibility study. This work included geological mapping, trenching and surface and underground diamond drilling programs.

The initial exploration work consisted of surface geology mapping along with approximately 9,940 m3 of surface trenches excavated to assist with the surface mapping and sampling as well as a diamond drilling program totalling 12,012 m collared from the surface.

During 1985 a detailed underground exploration program was undertaken including development of a decline from the surface to provide access to the pegmatite veins. Crosscutting drifts were then driven along strike of selected veins to provide access for mapping and sampling. In all 1,389 m of underground decline development and other drives were mined. A diamond drilling campaign was then undertaken from selected underground sites to in-fill the drill holes drilled from the surface and two experimental stopes were mined to evaluate cut and fill and long-hole sub-level stoping methods as well as to provide bulk samples for future metallurgical testing. Geo-mechanical measurements of the sidewalls of the stopes were also taken as part of the mining trial.

Exploration Work	Parameters	Quantity
Exploration trenches (surface)	number / volume	35 / 9,940 m^3
Diamond core drilling (surface)	number / length	64 / 12,012 m
Decline drift from surface	length	417.6 m
Underground development between veins	length	119.2 m
Drifts following veins (along strike)	length	853.7 m
Diamond core drilling (underground)	number / length	37 / 4,715 m

Table 6: Summary of Exploration Work as Reported by Minerex.

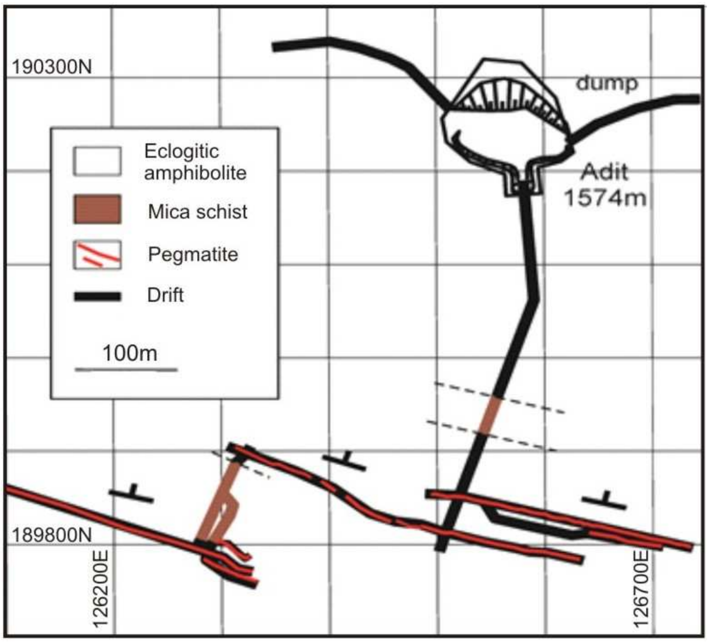

Figure 6: Underground Workings at Wolfsberg – Plan.

Figure 7: Photo of Underground Workings at Wolfsberg.

Minerex undertook mineral processing studies between 1982 and 1987 on selected samples from the Wolfsberg pegmatites at the Minerals Research Laboratory of the North Carolina State University College of Engineering (NCSU). This laboratory was chosen because the main focus of its research is the beneficiation of industrial minerals. NCSU's experience in industrial minerals is considered unmatched by any other university laboratory in the United States as it provides support to the large North Carolina industrial minerals sector, including the Kings Mountain spodumene mine.

As a result of the NCSU flotation and magnetic separation test work, spodumene concentrates with Li_2O grades >6% with spodumene recoveries of over 85% could be produced from both high grade and low grade ores contaminated with 10% amphibolite or 10% mica schist. Furthermore, ceramic grade feldspar could also be produced with feldspar recoveries of >90% at concentrate grades of >86% feldspar from both ore types. The recovered feldspar amounted to 28-32% of the head feed. Glass grade quartz concentrate was also produced from both ore types with recoveries ranging from 15-17% of the head feed achieved. A mica concentrate was also considered a possible by-product using screening after milling.

Spodumene concentrates were then tested at the Versuchsanstalt fur Chemie der Hoheren Bundeslehr und Versuchsanstalt fur Chemische Industrie laboratory in Vienna for conversion to lithium carbonate. A 96% Li_2CO_3 product was produced at a 93% recovery from a 6% Li_2O spodumene concentrate.

Rock mechanics studies were carried out by the Montanuniversitat Leoben.

Underground mining studies, including trial mining, were also undertaken by Boliden, an international mining company, and they concluded that both long hole open stoping and cut-and-fill mining were suitable mining methods.

Austroplan (Austrian Engineering Company Ltd), a consulting group within the Government OEIAG, was engaged by Minerex to prepare a Feasibility Study on the project. Austroplan recognised that the work was not as detailed as would normally be expected for a feasibility study and it should be considered a pre-feasibility study.

A production rate of 150,000 tpa mined and processed was considered with two options – V1 producing 3,000 tpa lithium carbonate , 3,000 tpa spodumene concentrate and 7,450 tpa sodium sulphate (from the carbonate process) and V2 producing 25,000tpa spodumene concentrate. Both options also produced 49,500 tpa feldspar, 24,000 tpa quartz sand and 3,375 tpa mica as by-products.

Engineering studies were undertaken to design the mine and plant layouts, prepare equipment lists, energy and water consumption, determine manpower requirements and estimate capital and operating costs for both options. The concentrator was to be situated at the mine site and the carbonate plant south of Wolfsberg.

Marketing studies were undertaken to estimate sales prices for all the products. The sales price for lithium carbonate at the time was taken as 34,900 Austrian shillings/tonne which at the 1987 exchange rate of 1US$= 12 Austrian shillings equates to a lithium carbonate price of US$2,908/tonne. The sales price for spodumene concentrate was taken as 3,280 Austrian shillings/tonne, the 1987 equivalent to US$273/tonne. The exchange rate for the Austrian shilling had strengthened 54% from 22/US$ in beginning 1985 to 12/US$ in November 1987 which impacted on the competitiveness of an Austrian industrial project at that time.

At these prices the economic evaluation gave a 15.5% IRR for the concentrate only option and a negative IRR for the carbonate plant.

Resources were reported by Austroplan according to the GDMB of the German Mining Association as follows;

1B resource (probable/likely) of 3.67mt,
1C resource(indicated) of 2.32mt and
2C resource (supposed/assumed) of 11.94mt, all at a Li_2O grade of 1.30%.

These estimates are NOT compliant with the JORC Code (2012), however 1B and 1C categories can broadly be considered similar to the Measured and Indicated resources of the JORC code.

Minerex did not proceed with the project which was then was transferred to BBU and then acquired by KMI in 1991.

KMI engaged Mine-It, a mine planning consultancy in Leoben, to re-evaluate the resource and prepare a 3D digital model of the resource to better utilised in mine planning. Unfortunately, with the passing of the project to BBU and the abandonment of that company, the original drill core was not maintained and some of the original source data was misplaced or lost. Mine-It produced a first Technical Report on the Resource Estimation of the Koralpe (Wolfsberg) deposit in July, 2010 addressing dyke locations, geometry and tonnages but not grade. KMI submitted an application for a Mining Licence on the basis of the Mine-it resource. This was granted by the Mining Authority who considered the resource within the drilled area conformed to category R-1A-E, the highest category within the Austrian classification system ONORME G1050 and is broadly equivalent to the Measured resource of the JORC Code.

ECM Lithium AT GmbH acquired the Wolfsberg project from KMI in 2011 and with an ultimate Australian owner, East Coast Minerals NL later to be renamed Global Strategic Metals NL, and listed on ASX required the resource to be reported to JORC Code reporting standards. In November, 2011 East Coast Minerals prepared an internal Scoping Study to re-evaluate the Austroplan feasibility study with a view to production at a higher rate utilising more productive and efficient mining techniques. This study envisaged mining and processing at 350,000 tpa to produce 9,174 tpa of lithium carbonate. Indicative capital costs were estimated at US$128 million and operating costs were estimated at US$3,432/tonne lithium carbonate. No by-product credits were assumed. At a projected long term lithium carbonate price the project IRR was 23%.

An analytical data base was subsequently located amongst the Minerex records which then allowed Mine-It to input lithium grades into the geological/resource model. A second Technical Report including a revised resource estimate was prepared in June 2012. This work was reviewed by resource geologist Ian Miller of Geotask, a competent person for the purpose of reporting resources under JORC Code (2004) which was the current version of the JORC Code at the time. He concluded that the resource developed by Mine-It was compliant to the then JORC (2004) code. He confirmed a JORC Code (2004) compliant Measured resource of 3.7Mt at 1.5% Li_2O at a lower cut-off grade of 0.75% Li_2O, an Indicated resource of 3.2Mt at 1.2% Li_2O and Inferred resource of 10Mt at 1.2% Li_2O.

The only mine production from the deposit is from the Minerex exploration and trial mining test development of approximately 1,389 linear metres of 4 m x 4 m underground development (incline and horizontal drives) and the two 500 tonne bulk metallurgical samples currently stockpiled at the KMI warehouse nearby.

Geological Setting

Regional Geology

The geology of Austria is greatly influenced by the collision of the African tectonic Plate with the Eurasian continent over the last 150 million years (“Ma”). This collision resulted in the strata of the ancient Tethys Ocean being folded and thrust northwards on top of each other and over the northern Bohemian Massif basement. The Austria region is characterised by the uplifted Alpine Orogenic Belt (the European Alps) which now forms a spine-like ridge stretching from east to west across central Europe, rising to heights of over 4,000 m. Three broad geotectonic divisions are recognised in Austria as follows:

1. The north of the country is dominated by the Bohemian Massif, part of the Hercynian orogenic belt comprised of Pre-Cambrian medium to high grade metamorphosed gneisses, intruded by Variscan granites (380 - 300 Ma).

2. The majority of the country is built up by the Eastern Alps, a mountain range composed of pre-alpine, mainly Palaeozoic, slightly to medium grade metamorphosed metasediments and Triassic to Cretaceous limestones called the Southern and Northern Calcareous Alps. The internal tectonic structure of the Eastern Alps is characterised by different thrust nappes.

3. The remainder of Austria's geology is made up by Tertiary basins filled with Tertiary sediments, e.g. the Viennese and Pannonian Basins.

The Austrian Alps

The Alpine Belt consists of three main geological zones forming thrust sheets (nappes) that have been stacked on top of each other and the crystalline basement, Figure 8.

- The oldest of these units is the Helvetic nappe which is composed of detached crystalline basement and metamorphic and igneous rocks that were metamorphosed during the Varisean Orogeny (~390-3l0 Ma). These rocks are found as thin slivers along a corridor running from Salzburg to Wien, adjacent to the Alpine Front faults bounding the Molasse basin.
- The Penninic nappe has been thrust over the Helvetic nappe and is composed of ophiolitic sequences and deep marine sediments that have been metamorphosed to phyllite, schist and amphibolites.
- The Austoalpine nappe structurally overlies the other two nappes and covers the largest part of Austria and consists of schists, gneiss, granite, limestone and other volcano sedimentary rocks.

There are a number of "windows" in the upper thrusted nappe that expose Penninic and Helvetic lithologies below. These include the Engadin and Tauern windows. The Tauern window covers an area of ~1,200 km2 stretching from Innsbruck, eastwards to the Rotgulden area. It is at the eastern end of this Tauern window that the Wolfsberg mine is located.

The Project is located within the Koralpe, a NS-trending mountain ridge about 25 km in length forming part of the eastern Alpine crystalline basement.

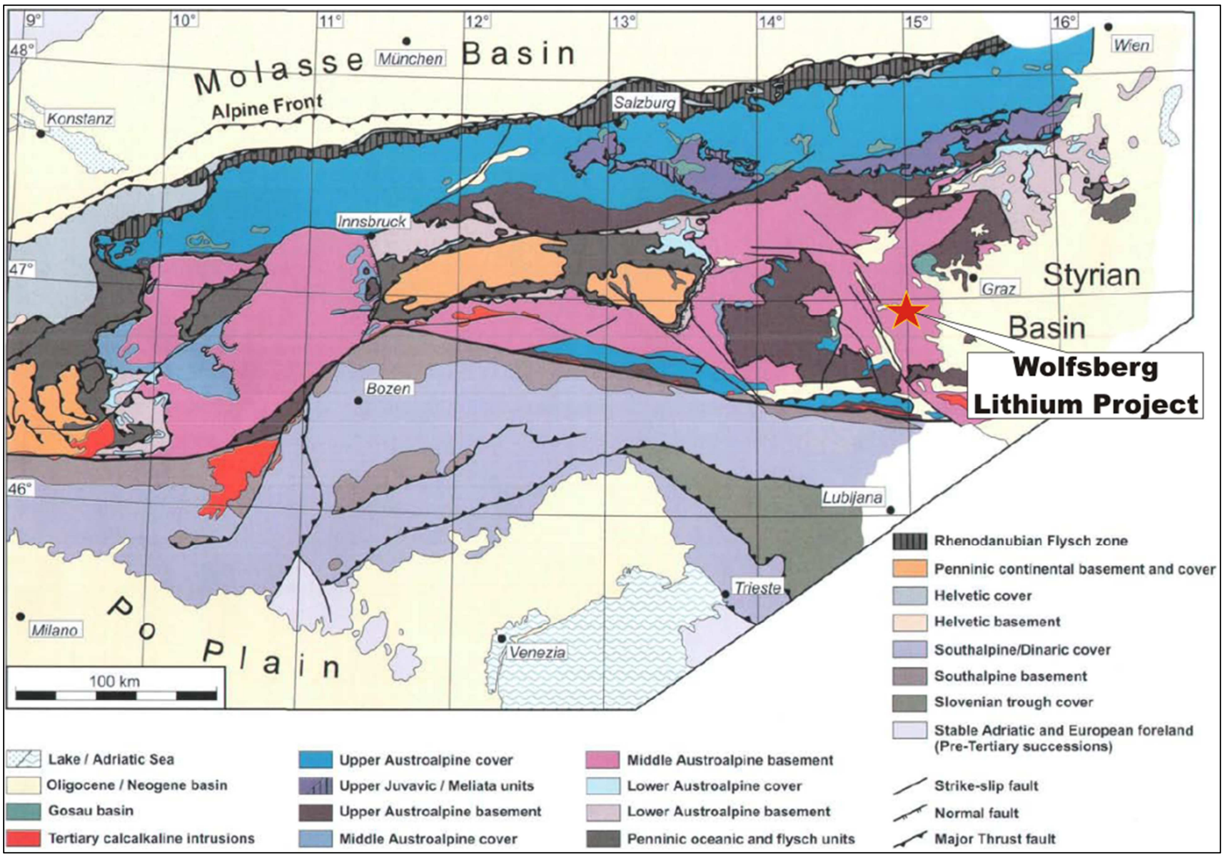

Figure 8: Geological map of Austrian Region (from Neubauer and Hock, 1999).

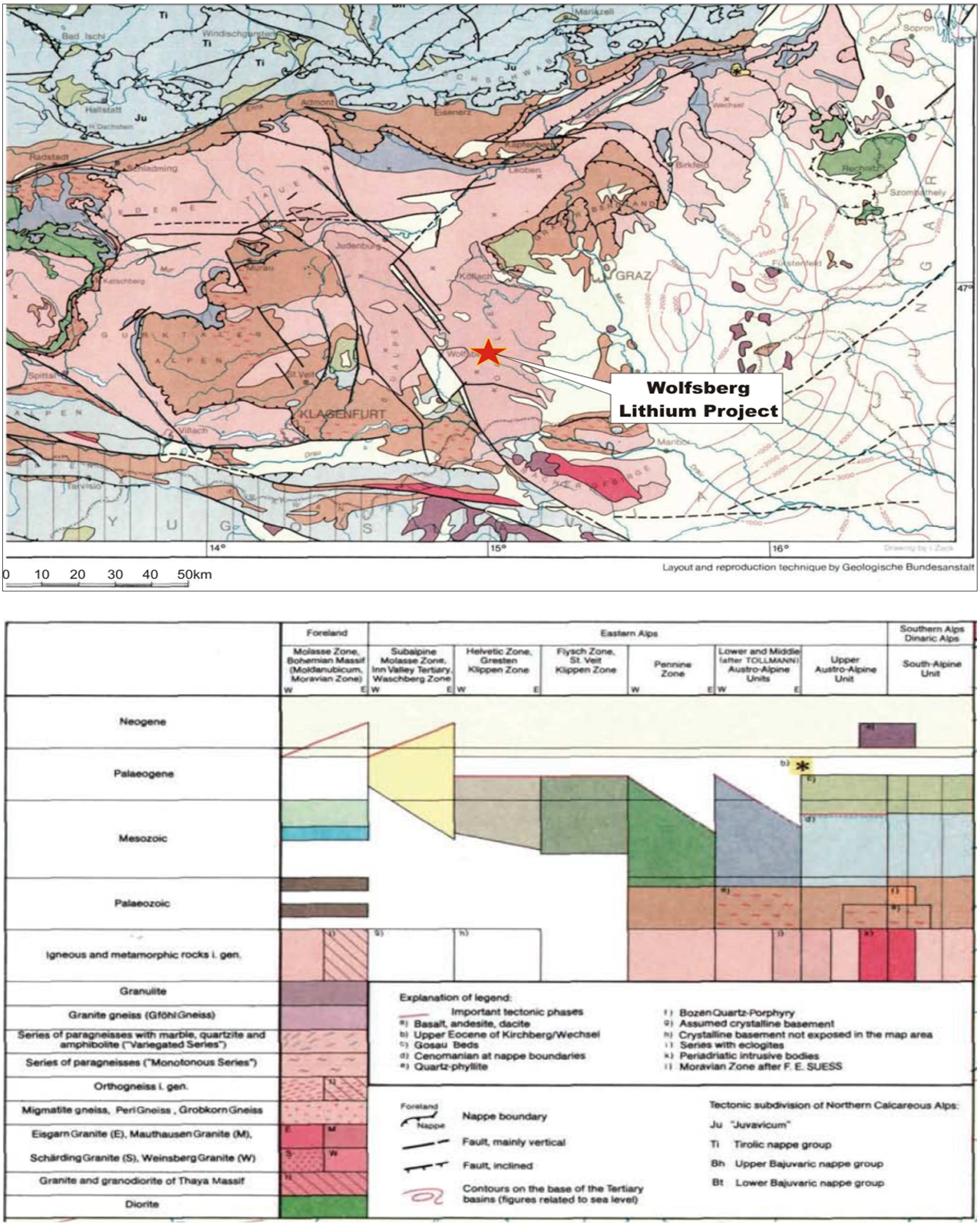

Figure 9: Geology of Wolfsberg Region (Janoschek and Matura 1980).

The Koralpe is predominantly composed of metamorphic rocks within the Variscan nappe including paragneisses and mica schists along with eclogites, amphibolites and marbles. A regional outline of the geology of the Koralpe and its geotectonic framework has been given by Tollmann (1977) and Beck-Mannagetta (1980a) and a geological map of the Koralpe has been published by Beck-Mannagetta (1980b). The only rock of granitic composition, a granitic gneiss, is situated about 20 km west of the area (Figure 8). Being part of a window this gneiss therefore does not belong to the Koralpe crystalline complex in a strict sense. The stratigraphic position of the deposit through the central part of the Koralpe is also shown in Figure 11.

A younger, probably early Alpine metamorphic overprint is well documented (Wimmer-Frey 1984) and is indicated by mica ages of about 80 Ma (Morauf 1980, 1981). This younger metamorphic event gave rise to the regional, EW striking, gently undulating, syncline-anticline structure of the Koralpe crystalline complex. One of these regional anticlines passes close to the southern margin of the deposit.

Local Geology

The Project area is characterized by a sequence of generally quartzitic, locally kyanite-bearing mica schists and eclogitic amphibolites. Due to its position at the northern slope of the anticline, the strata uniformly strike WNW- ESE (average 120 °) and dipping to the NNE at an average of 60° (Figure 10).

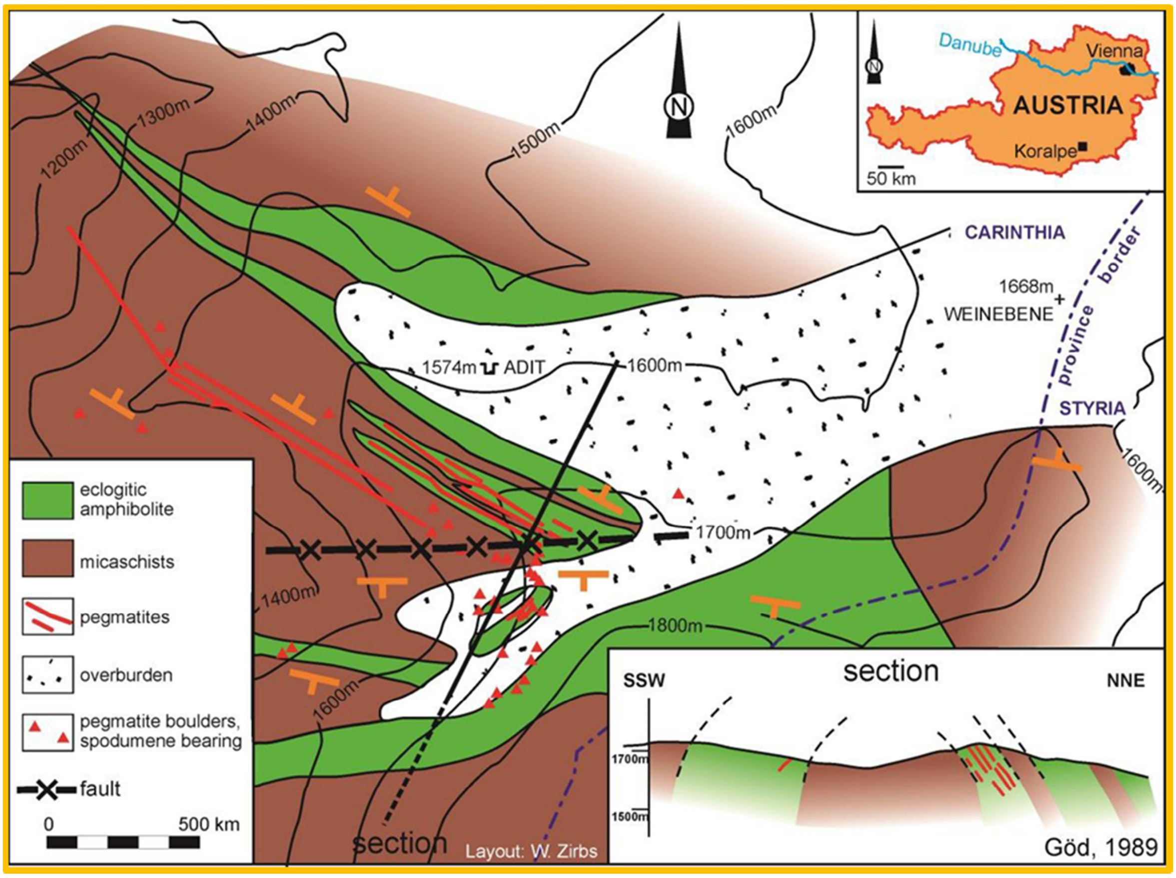

Figure 10: Geology of Wolfsberg Project (after Göd, 1989).

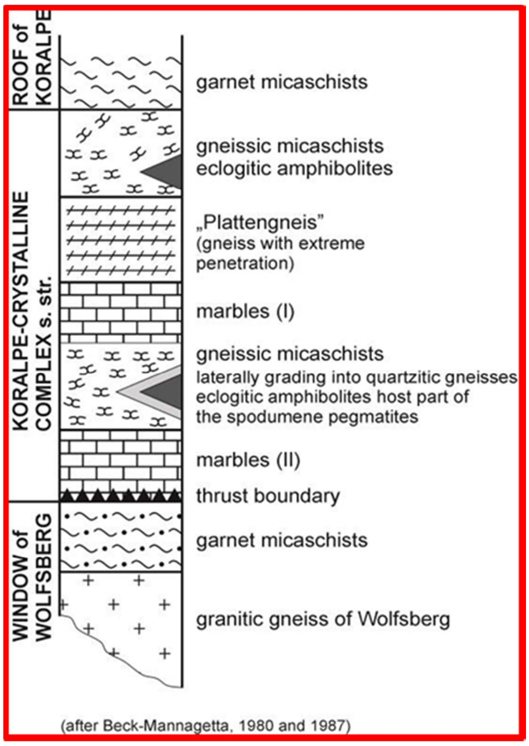

Figure 11: Stratigraphy of the Koralpe area.

The amphibolites are finely laminated, greenish rocks, composed mainly of amphibole, plagioclase, +/- garnet, and minor quartz with locally abundant primary calcite. The eclogitic sections, occurring as one up to a few metres thick layers, are characterized by symplectitic pyroxenes (Jawetzki, pers comm).

The mica schists are mainly composed of muscovite, quartz, garnet, and biotite along with kyanite paramorphs up to a few centimetres after andalusite. Both the eclogitic amphibolites as well as the mica schists occasionally contain graphite-rich layers, ranging from several centimetres to a few tens of centimetres thickness.

The spodumene-bearing pegmatites occur as unzoned, dyke-like bodies in the eclogitic amphibolites and kyanite-bearing mica schists, strictly concordant with their foliation. They have been traced in mapping over a distance of approximately 1.5 km and to a depth of about 450 m by drilling. The amphibolite hosted pegmatites (AHP) lie stratigraphically in the hanging wall position relative to the mica schist hosted pegmatites (MHP) although they overlap (Figure 10). The AHP pegmatites are cut in the east by a NE-SW-trending fault and thin out in the west. The MHP pegmatites continue to the west and are cut to the east by the NE-SW trending fault as for the AHP. As plotted in Figure 10, mineralised boulders equivalent to the AHP pegmatites also occur at the southern slope of the anticline. Limited drilling in Zone 2 on the southern limb of the anticline has also confirmed the existence of AHP and MHP.

The potential for resource extensions of the whole geological environment appears to be good.

The largest MHP dyke, dyke 7, has been mapped along strike continuously for approximately 1,250 metres and to a depth of about 200 m. The thickness of the AHP and MHP pegmatites differ significantly ranging from a few tens of centimetres up to a maximum of 5.5 m averaging around 2 m. The variation in thickness of the AHP appears to depend on the host rock while the MHP is remarkably consistent.

According to underground mapping the continuity of the pegmatites seems to be rather uniform being only displaced locally by NNW- SSE-trending faults from a few tens of centimetres up to a maximum of 3 m. Down-dip extension of the AHP dykes to at least 450 m has been established by drilling. The general geometry of the dykes is shown Figure 12 and Figure 14.

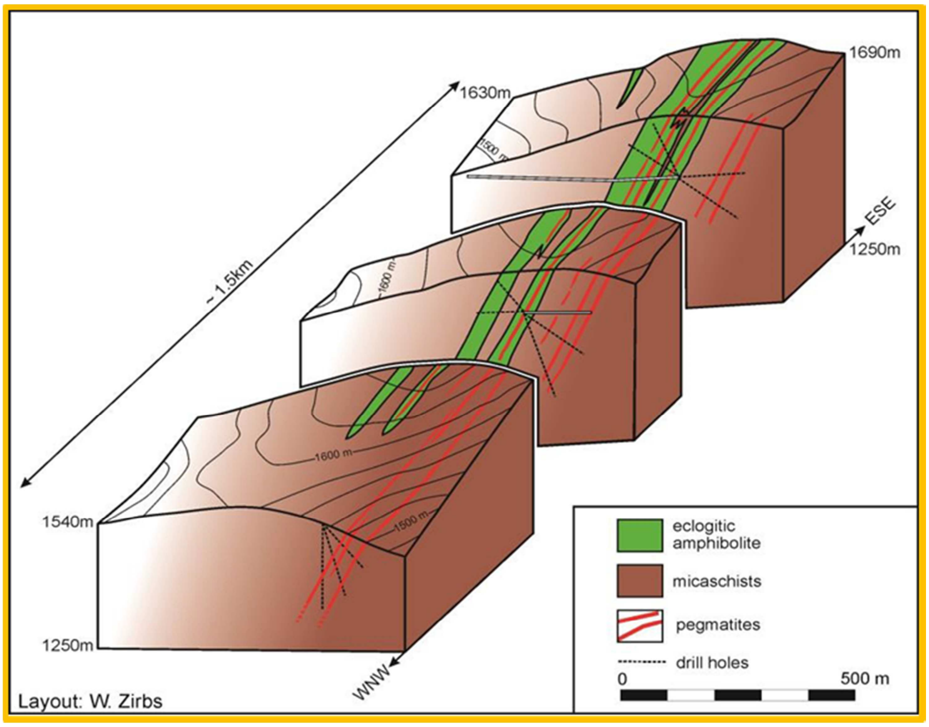

Figure 12: Three Dimensional Representations of the Wolfsberg Pegmatites.

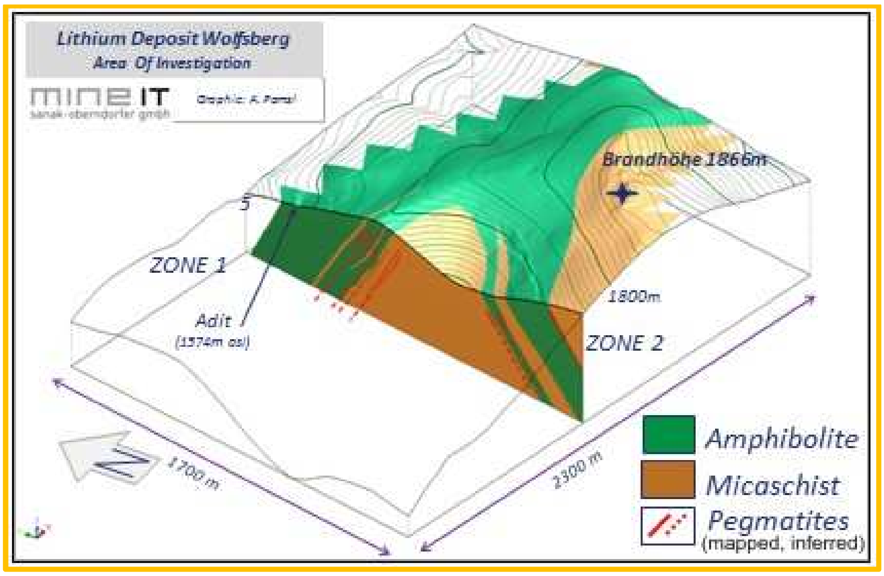

Figure 13: Three Dimensional Representations of Anticline.

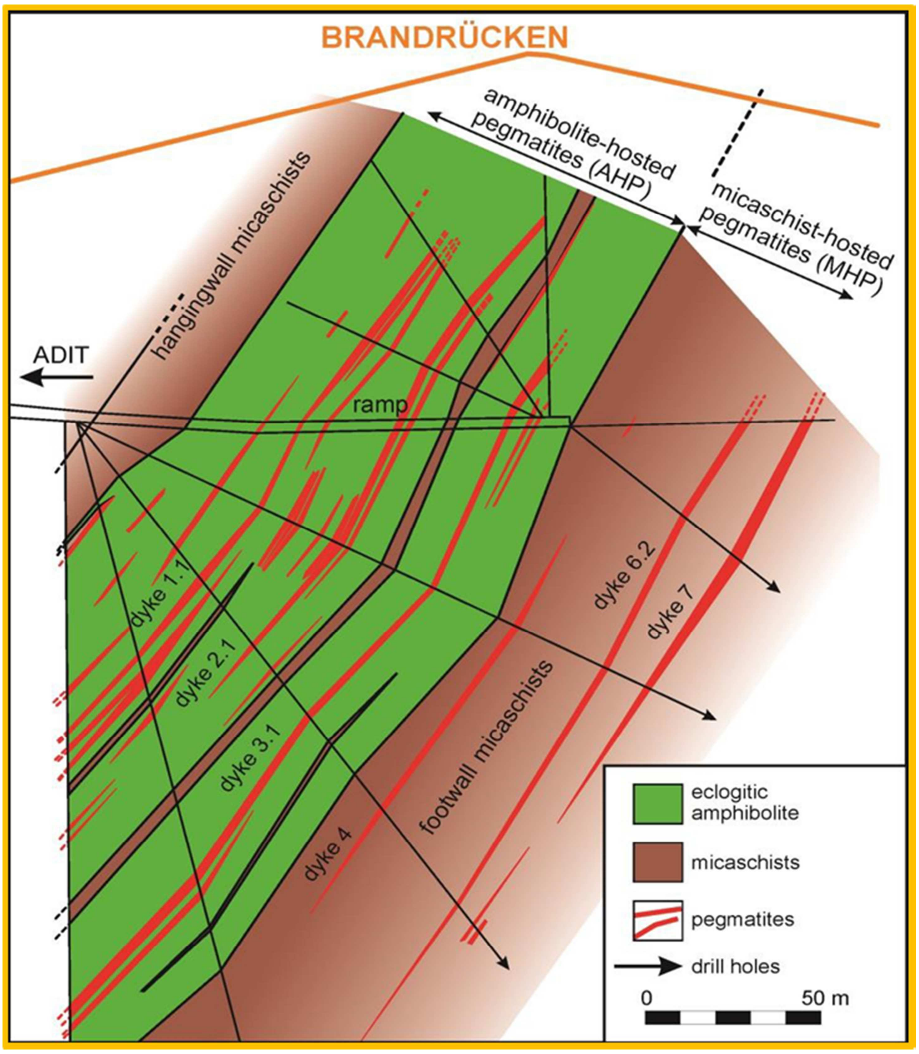

Figure 14: Typical Cross Section Showing AH and MH Pegmatites.

Petrography and Mineralogy of the Pegmatites

Amphibolite Hosted Pegmatites (AHP)

The AHP pegmatites are generally uniform in shape and internal structure. The contact zones are characterized by biotitization of the amphibolites for up to 0.5 metre and the formation of holmquistite, a Li-amphibole common in exocontacts of Li-rich pegmatites hosted by metabasics (Heinrich, 1965).

An aplitic zone, some 10 cm thick, symmetrically borders both contacts and is virtually free of spodumene. Beryl and Tourmaline tend to occur close to the pegmatite/amphibolite contact.

These pegmatites show a preferred orientation of their constituent minerals parallel to the contacts (Figure 14). The centre of the pegmatites is more or less homogeneous, locally preserving primary pegmatitic structure with a slight metamorphic overprint. The greyish to locally greenish crystals of spodumene are aligned sub-parallel to the pegmatite contacts and average about 2-3 cm in length, reaching a maximum of 15 cm. They are more or less homogeneously distributed in a fine-grained matrix of feldspars and quartz which are not discernible with the naked eye. Flakes of muscovite can be easily identified but their content does not exceed 3 % volume of the pegmatites. The pegmatites are locally penetrated by an aplitic phase in an irregular and random manner which belongs to a distinctly later stage of pegmatite evolution.

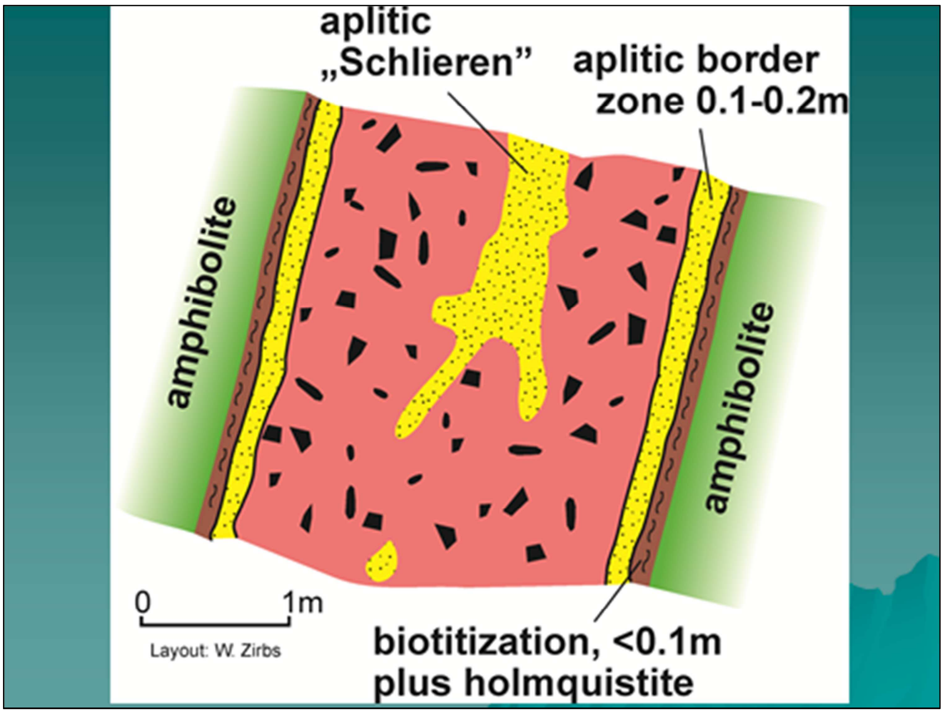

Figure 15: Schematic cross section of an AH Pegmatite.

Mica Schist Hosted Pegmatites (MHP)

The MHP pegmatites lack the typical features and textures of pegmatites having undergone a penetrative metamorphic overprint generating a fine-grained gneissic texture almost completely recrystallising all the original pegmatite minerals. Though petrographically better termed aplitic gneiss, there cannot be any doubt about the original pegmatitic origins.

In contrast to the AHP pegmatites, no aplitic border zone or any kind of contact phenomena is observable so the pegmatite dykes are truly homogeneous over their entire thickness and extension. The only minerals recognizable by the naked eye are rare spodumene grains up to several millimetres in length giving the rock an augen gneissic texture. Under the microscope, the relatively coarse- grained cataclastic spodumene is aligned parallel to the almost completely recrystallised matrix, emphasizing the metamorphic texture. The larger spodumene fragments show the same symplectitic rims and sub-hedral quartz inclusions with the same uniform extinction, as described for the AHP pegmatites. These crystals are therefore interpreted as relicts from the pre-metamorphic igneous constitution of the pegmatites.

The spodumene content of the MHP pegmatites is considerably lower than that of the AHP pegmatites, averaging about 15 wt% by volume. The bulk mineralogy is otherwise the same. Fissures in the MHP pegmatites are locally coated by secondary phosphates. (Niedermayer et al. 1988).

Chemistry of the Pegmatites

Bulk composition - major elements

With the exception of the Li content, the bulk chemistry of both AHP and MHP dykes fits the typical composition of sodic leucogranites. The AHP and MHP pegmatites differ only in their alkali content, Na being higher and Li lower in the latter. The average $_{L12}$O content of all the samples taken during the underground exploration is 1.6% Li_2O in AHP pegmatites vs 1.2% Li_2O in MHP pegmatites. The variability in the major-element concentrations is higher in AHP pegmatites compared with their MHP counterparts, Table 7: .

Mineral	Amphibolite-hosted		Mica schist-hosted	
Li_2O %	med.: 1,79	max.: 3,15	med.: 1,19	max.: 1,95
Be ppm	med.: 103	max.: 1690	med.: 110	max.: 200
Sn ppm	med.: 154	max.: 550	med.: 67	max.:1500
W	av.: 14	max.: 110	<2	
Mo	<1		<1	
F	av.: 258	max.: 530	av.: 440	max.: 555
U	av.: 6	max.: 12	av.: 9	max.: 12
Nb	av.: 55	max.: 150	av.: 85	max.: 98
Ta	av.: 19	max.: 108	av.: 24	max.: 35
Rb	av.: 1110	max.: 2150	av.: 880	max.: 980
Cs	av.: 62	max. 160	N/A	
K/Rb	21		23	

Table 7: Bulk Chemistry of Selected Amphibolite and Mica Schist Hosted Pegmatites.

Trace Elements

Of the trace elements examined, the only significant ones are Rb, Sn and F whose average contents reach hundreds of ppm. The MHP pegmatites are slightly enriched in F relative to the AHP dykes (440 vs 250 ppm), as well as in Nb (85 vs 55 ppm) and possibly Ta (24 vs 19 ppm). However, the MHP pegmatites contain significantly lower Rb (880 vs 1,100 ppm), Cs (25 vs 62 ppm), Sn (85 vs 138 ppm) and W (2 vs 14 ppm). The K/Rb ratio close to 20 attests to the high level of fractionation in both AHP and MHP pegmatites.

Mineral Chemistry: Selected Element Concentrations in Spodumene and Feldspars

Economically relevant elements in spodumene and feldspars have been analysed: Li by atomic absorption, all other elements by microprobe (by G. Kurat, Naturhistorisches Museum, Vienna). The spodumene contains 7.4% Li_2O and approximately 0.45% FeO, ranging 0.4% and 0.6%. The Fe distribution is somewhat zonal, slightly increasing toward the rims. The Mn content ranges between 0.08 % and 0.15% MnO. The spodumene compositions were found to be identical in both AHP and MHP dykes. The Na content ranges between 0.26% and 0.45% Na2O. The feldspars show chemical compositions very close to pure albite matching the Ca-poor bulk composition of the pegmatites and K-feldspar indicating advanced exsolution; no zonal element distributions have been observed. An aplitic zone, some 10 cm thick, symmetrically borders both contacts and is virtually free of spodumene.

Discussion

The AHP and MHP pegmatites can be differentiated based on their internal structure, their degree of metamorphic overprint and the distribution of their major and trace elements. However, there is no evidence suggesting separate origins or intrusive stages and what class of granitic pegmatite these might belong to. It seems that the different competence of the amphibolites and mica schists and their different reactivities during pegmatite emplacement and subsequent regional metamorphic overprinting accounts for the mineralogical and textural differences observed in the pegmatites.

Drilling and Resource Modelling Data

Diamond drilling was carried out at the Project from both the surface and from underground. The surface holes are identified by the prefix “KOK”, while underground holes are prefixed by “KUK”. A total of 84 surface holes are shown on the Minerex maps while 34 underground drill holes are shown on cross sections. Six of the surface holes do not appear in the Zier database and according to Dr God were only drilled to acquire rock mechanics information. The diamond drilling has tested an area approximately 1,600 m x 400 m.

The spacing of the drilling, on a semi-regular grid on regularly spaced cross sections, would not have introduced any bias in the sampling within the area drilled.

Since the drilling was carried out at various dips and the pegmatite veins are steeply dipping, the drill intercepts of the pegmatites will all be longer than the true widths of the veins however the horizontal vein widths were calculated using trigonometry for the resource modelling.

All the data acquisition, compilation and resource estimation was carried out by MINE-IT from available Minerex data. Since at the time Mine-It was acquiring the drilling data and estimating the resources the Minerex drilling reports with drill hole collar locations were not available, Mine-It digitised the drill collar locations off the scanned plans and obtained the dip of the drill holes from the scanned cross sections. The hole azimuths were assumed to be parallel to the cross sections.

All the drilling data used was sourced from “Kärntner Montanindustrie GmbH” as scanned images of all the available maps and cross sections. The most important sources of data were:

- regional geological mapping by Minerex at 1:10,000 scale
- site plan of the exploration area and the exploration works, including underground drifts by Minerex, at 1: 2,000 scale
- twenty two geological cross sections over a strike length of about 1500 m by Minerex at 1:500 scale
- the most recent surface topography survey by Austrian Surveying Service “BEV” as gridded data covering the exploration area and an orthographic image of this area

Surface Topography Data

The most recent survey data available was acquired from the surveying service of the Austrian Government BEV (“Bundesamt für Eich- und Vermessungswesen”). The area selected covers a range of 2,300 m (easting) x 1,700 m (northing). The grid spacing of the data elevation points is 10 m. Cultural and topographical features including roads, rivers, ditches, etc. were included as shown in Figure 16.

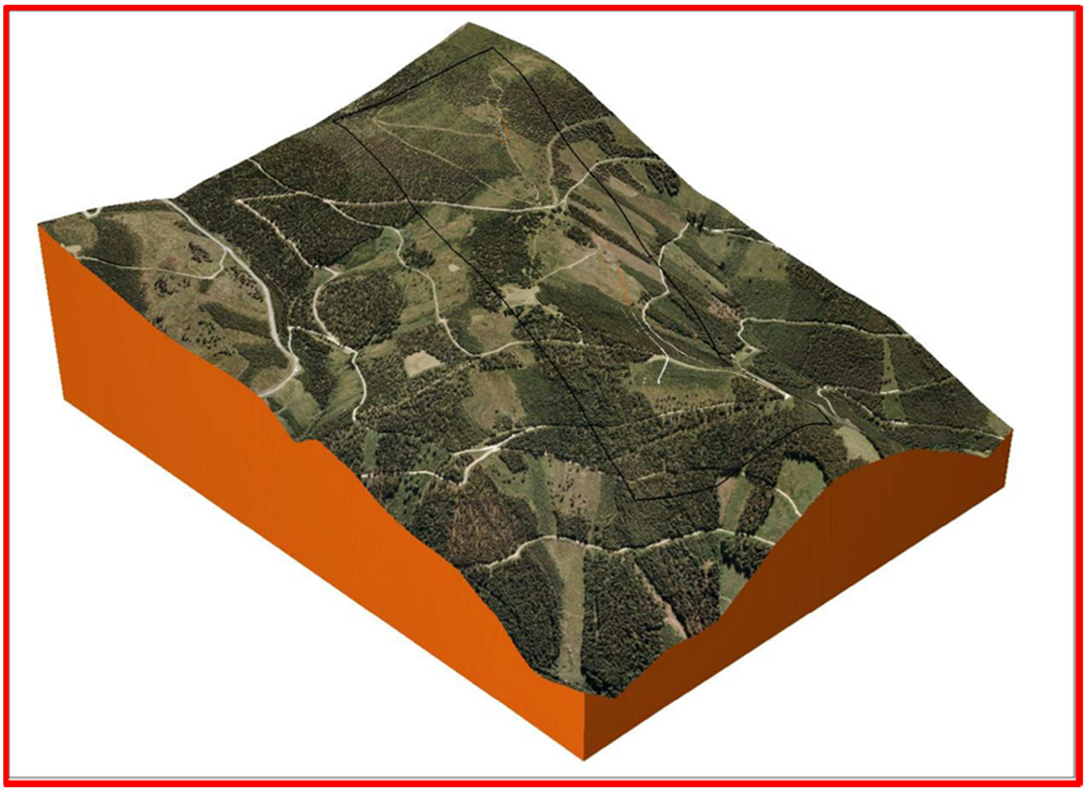

Figure 16: Oblique View showing Topography Overlain with Orthographic Image.

Cross Sections

The main source of information for the resource modelling were scanned cross sections prepared by Minerex (Figure 17) based on the diamond drilling results as well as mapping and sampling of the underground mine workings (Figure 18).

The regularly spaced cross sections are generally oriented perpendicular to the general strike direction of the deposit and spaced 90 – 130 m apart (Figure 17). The original cross section spacing was halved in the eastern sector of the drilled area where closer spaced underground drilling in-filled the original cross sections.

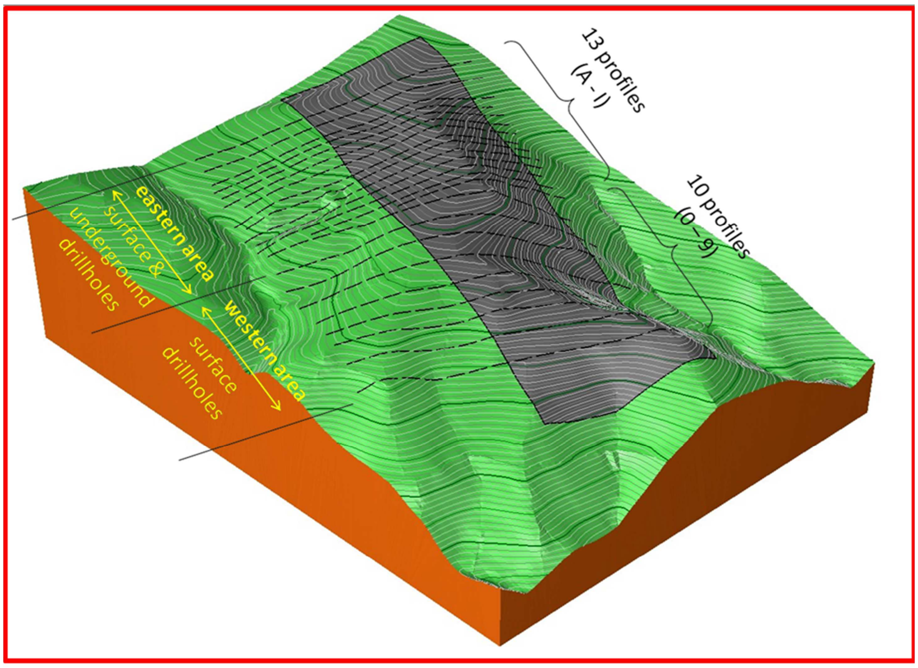

Figure 17: Location and Nomenclature of Drilled Cross Sections.

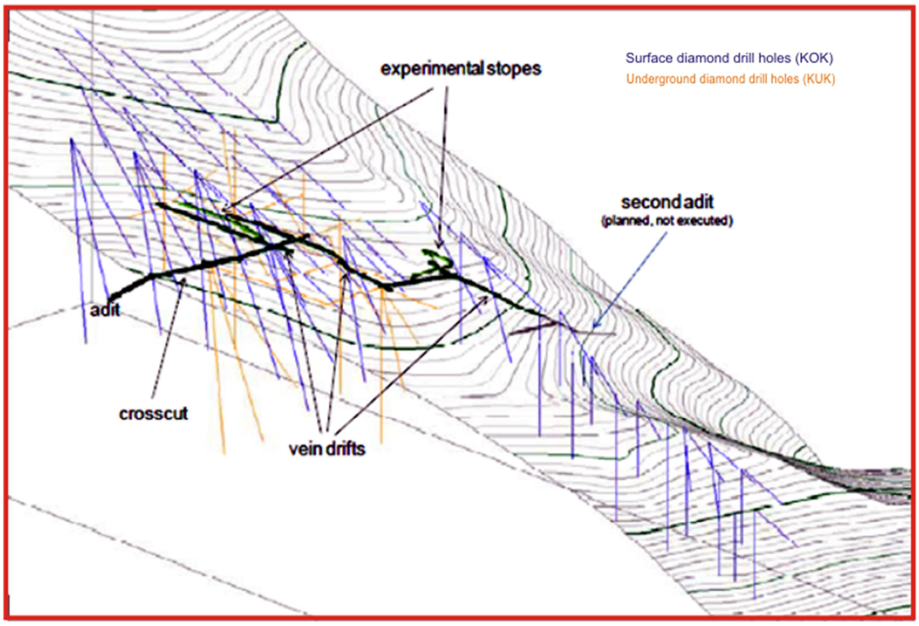

Figure 18: Oblique View showing Diamond drilling and Underground Development. Source: Mine-it Technical Report on the Resource Estimation of the Koralpe Lithium Deposit July 2010.

The general layout of the cross sections is shown in Figure 17. The eastern cross sections are identified by capital letters (A to I). The in-fill cross sections including the underground drillings are labelled with a combination denoting the neighbouring cross sections e.g. cross section C-D is located in between the main cross sections C and D. The cross sections of the western area are labelled by numbers (0 to 9). A summary of the cross sections is provided in Table 8:

Profile	Area	Bearing	Boreholes			
			count	surface borehole IDs	count	underground borehole IDs
0	I (E)	27				
1	I (E)	27	3	46, 46A, 57		
2	I (E)	27	3	38, 38A, 47		
3	I (E)	27	3	39, 39A, 48		
4	I (E)	27	3	42, 42A, 49		
5	I (E)	27	3	44, 44A, 50		
6	I (E)	27	4	41, 41A, 51, 58		
7	I (E)	27	3	40, 40A, 52		
8	I (E)	27	2	53, 53A		
9	I (E)	18	2	54, 54A		
A	II (W)	18	1	23		
B	II (W)	18	6	24, 35, 35A, 35B, 43, 55	5	25, 28, 30, 33, 35
C	II (W)	18	5	21, 22, 33, 33A, 33B		
C-D	II (W)	18			7	26, 27, 29, 31, 36, 37, 38
D	II (W)	18	6	11, 13, 19, 19A, 19B, 32		
D-E	II (W)	18			9	12, 14, 15, 2, 32, 34, 4, 5, 6
E	II (W)	18	7	10, 12, 18, 18A, 26, 31, 31A		
E-F	II (W)	18			7	10, 11, 13, 16, 19, 23, 9
F	II (W)	18	8	1, 16, 17, 2, 3, 30, 30A, 30B		
F-G	II (W)	18			6	17, 18, 20, 21, 22, 24
G	II (W)	18	9	14, 14A, 15, 27, 29, 29A, 29B, 4, 7		
H	II (W)	18	4	28, 28A, 5, 8		
I	II (W)	18	2	6, 9		

Table 8: Summary of Drilled Cross-sections.

Verification of Geological Logging and Drill Core Sampling

All the core, after logging and sampling, had been stored adequately by Minerex but on transfer of the project to BBU the cores were not properly maintained and were therefore not available for checking the logging or re-sampling. The author has therefore not been able to independently check the geological logging and sampling of the drill core.

Sampling Method and Approach

At the time Mine-It were acquiring the drilling data for the resource estimation no Minerex reports were available describing the drilling and sampling methods. Scanned copies of a large number of Minerex reports have since been located including copies of geologist logs of the drill holes, hole collar coordinates and assay certificates from the laboratory. A small selection of these hole collar surveys, drill logs and assay certificates have been checked by the author against the same drill holes and drill intervals in the electronic database derived from the scanned drill maps and cross sections and no significant errors were identified.

No original Minerex report has been located to date describing fully the drilling methods and core sampling protocols followed or drill core recoveries.

Most drill core was standard diameter with the core split for chemical analysis. Core from a limited number of the drill holes was described in an early report as being 2.5 cm in diameter and the whole core was submitted to the laboratory for chemical analysis. All the drill core was sampled and analysed for $_{L12}O$, Be and Sn.

Due to the nature of the rocks drilled, i.e. massive amphibolites, mica schists and pegmatites with little fracturing and shearing it can reasonably assumed that drill core recoveries, especially in the competent pegmatite veins, would normally be at least in the high 90% with no bias introduced by selective recoveries of minerals over the interval recovered. It is reasonable therefore to assume that the drill core samples are acceptable for resource modelling and estimation.

Table 9: summarises the data contained in the Minerex database (Zier).

		surface boreholes			underground borehole			total		
		num.	ratio	length	num.	ratio	length	num.	ratio	length
		-	%	m	-	%	m	-	%	m
datasets										
	total	353		537,1	185		69,6	538		606,7
	valid	353		537,1	183		66,6	536		603,7
assignment										
	vein	216	61%	423				216	40%	423
grades										
	Li2O	353	100%	537,1	183	100%	66,6	536	100%	603,7
	Be	281	80%	442,8	179	98%	58,8	460	86%	501,6
	Sn	278	79%	314,2	178	97%	58,3	456	85%	372,5
	MgO	240	68%	438,3		0%		240	45%	438,3
	Fe2O3	240	68%	314,2		0%		240	45%	314,2
Boreholes										
	total	84		11825	36		4526	120		16351
	effected	78		11825	36		4526	114		16351
	valid	78		11825	34		4526	112		16351

Table 9: Data Summary - Mine-It 2012 (after Zier).

The sample intervals in the drill core were selected based on logged pegmatite contacts. The veins were sampled from contact to contact as a single sample with the sampled intervals varying from 0.3 metres to 14.1 metres, averaging 1.4 metres.

Item	Sample Length	Li_2O%	Be ppm	Sn ppm
Count	530	530	454	454
Minimum	0.3	0.01	10.0	5.00
Maximum	14.1	3.5	390.0	2522.8
Average	1.4	1.1	105.4	141.7
Median	1.0	1.1	100.5	99.5
Standard Deviation	1.3	0.7	49.2	187.5

Table 10: Summary Statistics for Diamond Drilling Core Samples (data received from Mine-It).

Figure 19 shows that there is no significant statistical relationship between the drill intersection vein thickness and the vein grade.

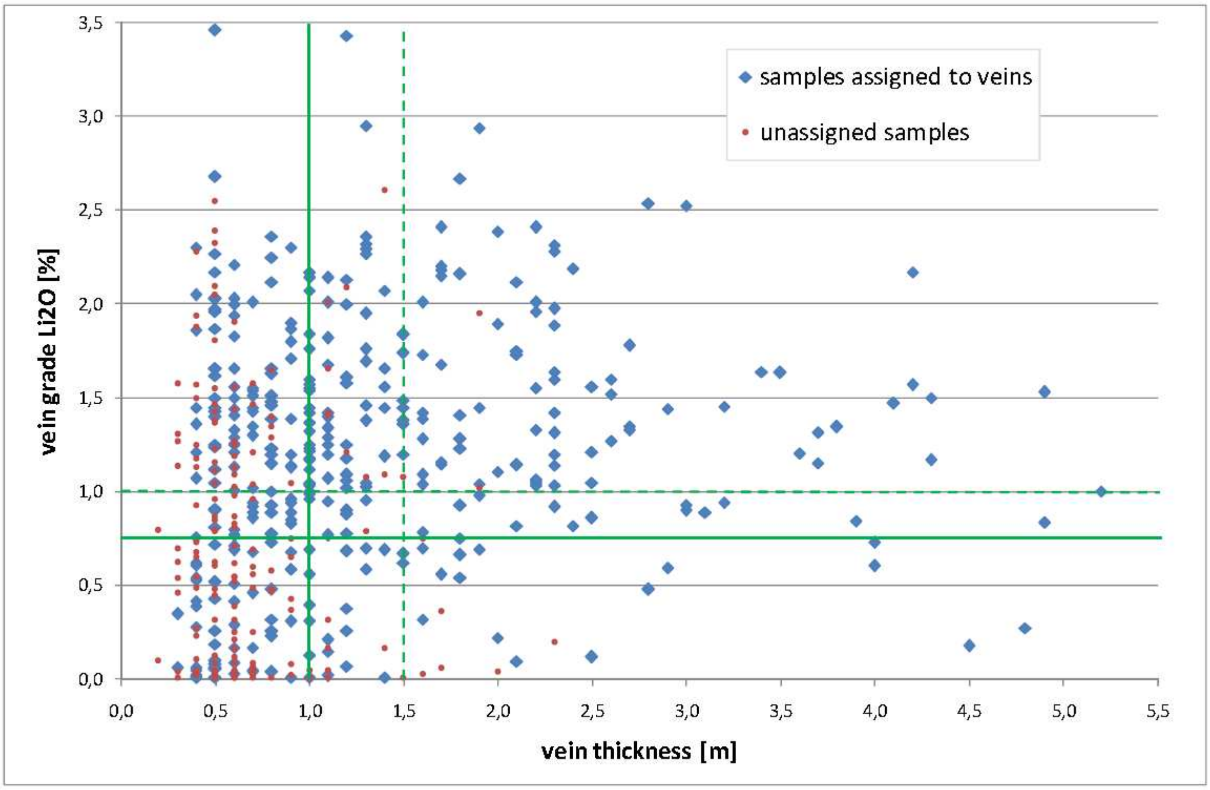

Figure 19: Vein Thickness Vs Vein Grade. Source: Mine-it Technical Report on the Resource Estimation of the Koralpe Lithium Deposit Rev2.0 June 2012.

Sample Preparation, Analyses and Security

No documentation has been provided to the author by the Company describing the sampling procedures and QA/QC procedures followed by Minerex when they sampled the diamond drill core for chemical analysis.

Adequacy of the Sampling and Assays

Although there is no documentation available confirming the quality of the drill core sampling, the sampling of the core for chemical analysis and the analytical results, the author believes that given the company involved (Minerex) and the analytical laboratory (BVFA-Arsenal with check assays at North Carolina State University), the assay results are suitable for resource modelling under the JORC Code with the appropriate resource category as discussed later in this report.

Bulk Density

A bulk density of 2.8 tonnes per cubic metre was used to convert volumes of pegmatite to tonnes. This value is an assumed value based on typical pegmatite mineralogies of feldspars, quartz and muscovite mica. AM&A strongly recommend that a suite of representative samples of pegmatite as well as both the amphibolites and mica schists are collected and their bulk densities measured using an appropriate water displacement method. These measured densities should then be used in all future resource estimates.

Data Verification

Since the drill core has been destroyed, the author has not been able to verify the accuracy of the analytical results by independently taking duplicate samples of the core.

Mineral Processing and Metallurgical Testing

Minerex undertook mineral processing studies between 1982 and 1987 on selected samples from the Wolfsberg pegmatites at the Minerals Research Laboratory of the North Carolina State University College of Engineering (NCSU). This laboratory was chosen because the main focus of its research is the beneficiation of industrial minerals.

NCSU's experience in industrial minerals was considered unmatched by any other university laboratory in the United States as it provides support to the large North Carolina industrial minerals sector, including the Kings Mountain spodumene mine.

As a result of the NCSU flotation and magnetic separation test work, spodumene concentrates with Li_2O grades >6% with spodumene recoveries of over 85% could be produced from both high grade and low grade ores contaminated with 10% amphibolite or 10% mica schist.

Furthermore, ceramic grade feldspar could also be produced with feldspar recoveries of >90% at concentrate grades of >86% feldspar from both ore types. The recovered feldspar amounted to 28-32% of the head feed. Glass quality quartz concentrate was also produced from both ore types with recoveries ranging from 15-17% of the head feed achieved. A mica concentrate was also considered a possible by-product using screening after milling.

Spodumene concentrates were then tested at the Versuchsanstalt fur Chemie der Hoheren Bundeslehr und Versuchsanstalt fur Chemische Industrie laboratory in Vienna for conversion to lithium carbonate. A 96% Li_2CO_3 product was produced at a 93% recovery from a 6% Li_2O spodumene concentrate.

In 1987 a pilot plant test was set up at North Carolina State University to produce Mica, Feldspar, Quartz and Spodumene saleable products. From this work at an estimated mining and processing rate of 150,000 tonnes per annum (TPA) 25,000 TPA Spodumene Concentrate (6% Li_20), 49,500 TPA Feldspar, 24,500 TPA Quartz (as Silica Sand) and 3,375 TPA Mica could be produced. In all 74% of the mined pegmatite produced a saleable product leaving only 26% of the material as waste – which could be sold as road base.

In 1987 Austroplan completed laboratory scale tests producing Lithium Carbonate from a Spodumene Concentrate returning recoveries of 93%.

Two 500 tonne bulk samples were collected by the Company in late 2013 from AHP and MHP veins and it was estimated that dilution during mining with host rock was about 15%. These bulk samples were crushed at the KMI plant facility and regular samples of crushed product were taken. In all 15 x 15kg samples of crushed ore from each of the AHP and MHP samples were taken and sent to the Institute of Mineral Processing at Montanuniversitaet Leoben for sample preparation prior to chemical analysis.

In addition, channel samples were taken at the mining face after every blast. A total of 20 samples from AHP and 26 samples from MHP were taken and prepared for analysis at Montanuniversitaet Leoben. This sample preparation work has just been completed and the samples are ready for chemical analysis.

Duplicate samples and remaining samples are retained at Montanuniversitaet Leoben. The bulk mine samples are safely stored by KMI at their facilities. This material will be utilised for metallurgical testing to improve earlier recovery rates, product specifications and design parameters using more modern technologies.

Mineral Resource and Mineral Reserve Estimates

The current JORC Code (2004) resource estimate by Mine-It and declared JORC Code (2004) compliant by Ian Miller, Resource Geologist,(Geotask) as competent person is summarised in Table 11: .

Category	Million Tonnes	Li_2O
Measured *	3.7	1.5%
Indicated	3.2	1.2%
Inferred	10.0	1.2%

Table 11: Historic Resource Estimate (Mine-It, 2012). (*'Measured'at a 0.75% Li_2O lower cut-off).

Resource Modelling Method (Mine-It)

A 3D model was generated by Mine-It by linking each of the cross section interpretations of each of the pegmatite veins by wireframes. The 15 pegmatite veins identified by Minerex were all wireframed. The veins were generally continuous along strike and down dip. Table 12 summarises modelled veins.

vein	source	host rock	profile range	max. extension horiz.	max. extension vert.	profiles 1 2 3 4 5 6 7 8 9 A B C D E F G H I	remarks
0.0	Minerex	Amphibolite	B .. G	460	175		vertical split in western part
0.1	Minerex	Amphibolite	B .. I	640	160		30 .. 40m in eastern part
0.2	Minerex	Amphibolite	C .. D	100	180		
0.3	Minerex	Amphibolite	C .. H	500	180		
1.1	Minerex	Amphibolite	C .. I	590	190		hole at profile E
1.2	Minerex	Amphibolite	C .. I	590	190		
2.1	Minerex	Amphibolite	C .. I	590	235		
2.2	Minerex	Amphibolite	C-D .. G	310	180		
3.1	Minerex	Amphibolite	B .. G	460	350		
3.2	Minerex	Amphibolite	B .. G	460	310		vertical split over almost all the length
4	Minerex	Mica schist	9 .. F-G	500	225		
6.1	Minerex	Mica schist	4 .. 9	550	80		
6.2	Minerex	Mica schist	1 .. F/G	1300	350		
7	Minerex	Mica schist	1 .. F/G	1300	250		
8	Minerex	Mica schist	1 .. 4	260	80		
1.0	Mine-It	Mica schist	9.. G	500	150		
2.0	Mine-It	Amphibolite	F .. I	280	110		
3.0	Mine-It	Amphibolite	D-E .. F	180	220		

Table 12: Summary of Wireframed Minerex/Mine-It Pegmatite Veins (Mine-It 2012).

The completed wireframed veins were checked with the surface geological mapping and the trenches and no discrepancies were identified.

For the Mine-It Measured resources, a digital block model was created using 25 m x 25 m cells with an Inverse Distance Squared algorithm used to interpolate grades and vein widths into the digital block model cells within each vein wireframe individually (Table 12).

		amphibolite										micaschist					host rock		total
		0.0	0.1	0.2	0.3	1.1	1.2	2.1	2.2	3.1	3.2	4	6.1	6.2	7	8	amph	mica	
sample ratio (weighted) - cumulative																			
> 0,5 m	%	93,9	94,0	87,1	84,8	98,7	97,8	98,7	96,3	95,9	84,3	86,9	89,2	94,2	98,2	100,0	95,7	95,6	95,7
> 1 m	%	52,3	47,3	41,0	20,5	69,7	85,8	85,0	63,9	81,9	45,8	34,3	40,2	80,9	95,4	60,4	72,3	81,8	75,3
> 1,5 m	%	11,1	28,4	23,8	0,0	37,8	79,9	62,6	43,6	63,5	18,3	0,0	24,0	63,7	88,6	34,5	52,0	68,4	57,1
> 2 m	%	0,0	28,4	0,0	0,0	20,3	71,0	49,0	21,4	50,4	10,1	0,0	0,0	51,3	69,3	0,0	39,5	52,2	43,5
> 2,5 m	%	0,0	28,4	0,0	0,0	8,5	67,7	22,2	12,2	12,0	0,0	0,0	0,0	30,3	55,0	0,0	22,9	38,4	27,8
> 3 m	%	0,0	28,4	0,0	0,0	8,5	49,4	13,6	0,0	12,0	0,0	0,0	0,0	16,8	28,6	0,0	16,7	20,3	17,8
> 3,5 m	%	0,0	0,0	0,0	0,0	0,0	49,4	13,6	0,0	12,0	0,0	0,0	0,0	9,0	24,8	0,0	14,7	16,0	15,1
> 4 m	%	0,0	0,0	0,0	0,0	0,0	30,4	13,6	0,0	6,6	0,0	0,0	0,0	0,0	10,6	0,0	9,9	5,8	8,6
> 4,5 m	%	0,0	0,0	0,0	0,0	0,0	23,3	7,4	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	6,0	0,0	4,1
Average	m	0,9	0,9	0,8	0,7	1,2	2,0	1,5	1,1	1,5	0,8	0,8	0,9	1,3	2,1	1,1	1,3	1,5	1,3

Table 13: Vein thickness statistics (Mine-It 2012)

		amphibolite										micaschist					host rock		total
		0.0	0.1	0.2	0.3	1.1	1.2	2.1	2.2	3.1	3.2	4	6.1	6.2	7	8	amph	mica	
sample ratio (weighted) - cumulative																			
> 0,25 % Li2O	%	94,2	81,8	94,3	78,4	95,4	72,3	94,0	91,7	96,6	82,8	96,5	95,2	100,0	100,0	100,0	88,2	99,4	91,8
> 0,50 % Li2O	%	87,3	77,0	94,3	59,0	89,9	58,4	93,0	88,3	96,6	80,7	93,2	81,8	99,3	98,1	79,8	82,8	96,6	87,2
> 0,75 % Li2O	%	68,0	77,0	94,3	49,6	81,9	38,5	90,8	88,3	95,7	74,1	88,4	75,8	90,1	89,4	25,9	75,4	87,0	79,1
> 1,00 % Li2O	%	38,8	77,0	94,3	36,4	66,8	20,9	85,7	79,4	93,6	74,1	67,1	29,5	63,8	67,1	25,9	66,0	63,1	65,1
> 1,25 % Li2O	%	19,9	60,2	80,2	26,3	45,7	14,6	79,2	63,8	82,3	52,0	9,1	13,3	30,8	44,3	0,0	54,0	34,6	47,9
> 1,50 % Li2O	%	15,2	22,3	80,2	21,0	38,1	4,0	64,7	37,2	71,2	37,5	0,0	0,0	11,5	14,0	0,0	41,3	11,0	31,7
> 1,75 % Li2O	%	0,0	16,3	20,1	14,8	23,1	2,8	45,7	33,9	49,6	29,5	0,0	0,0	0,0	0,0	0,0	28,1	0,0	19,2
> 2,00 % Li2O		0,0	7,7	7,2	14,8	13,5	1,4	39,4	29,2	28,7	18,7	0,0	0,0	0,0	0,0	0,0	19,7	0,0	13,5
> 2,25 % Li2O	%	0,0	7,7	0,0	3,7	4,9	0,0	24,7	14,0	11,0	6,3	0,0	0,0	0,0	0,0	0,0	9,5	0,0	6,5
> 2,50 % Li2O	%	0,0	0,0	0,0	0,0	4,9	0,0	11,0	12,2	0,8	2,3	0,0	0,0	0,0	0,0	0,0	4,0	0,0	2,7
Average	% Li2O	0,9	1,2	1,5	0,9	1,3	0,7	1,7	1,4	1,7	1,3	1,0	0,9	1,1	1,2	0,7	1,3	1,1	1,2

Table 14: Vein Li_2O% grade statistics (Mine-It 2012)

This resource estimate, in the area covered by the drilling and wire-framed (Figure 20), was classified by Mine-It as being Measured. Mine-It estimated the Indicated resource by extrapolating 50% of the tonnes per vertical metre from the Measured modelled resource, below the drilling and wireframes to 1,250m RL, Figure 21. Mine-It then estimated the Inferred resource by again extrapolating 50% of the tonnes per vertical metre for the known veins down to 1100m RL and extrapolating the vein package corresponding to vein package 0.0 to 4 for a length of 1250m and down to 1250m RL into the undrilled western area shown in Figure 22.

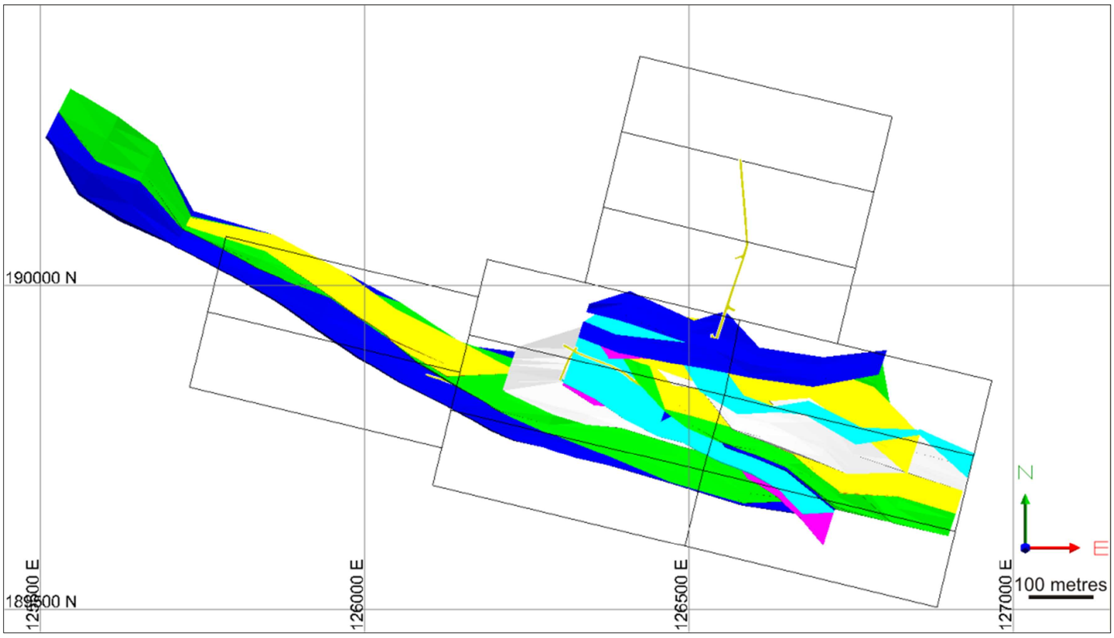

Figure 20: Plan View Showing Mine-It Measured Resources With Mining Licences (Mine-It 2012).

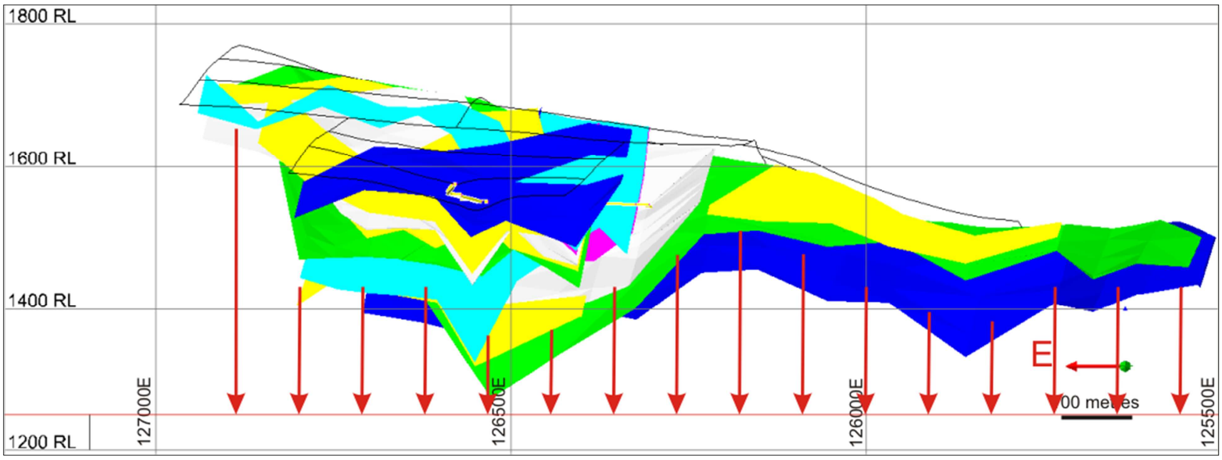

Figure 21: Long Section Showing Mine-It Indicated Resources Projected To 1250m RL (Mine-It 2012).

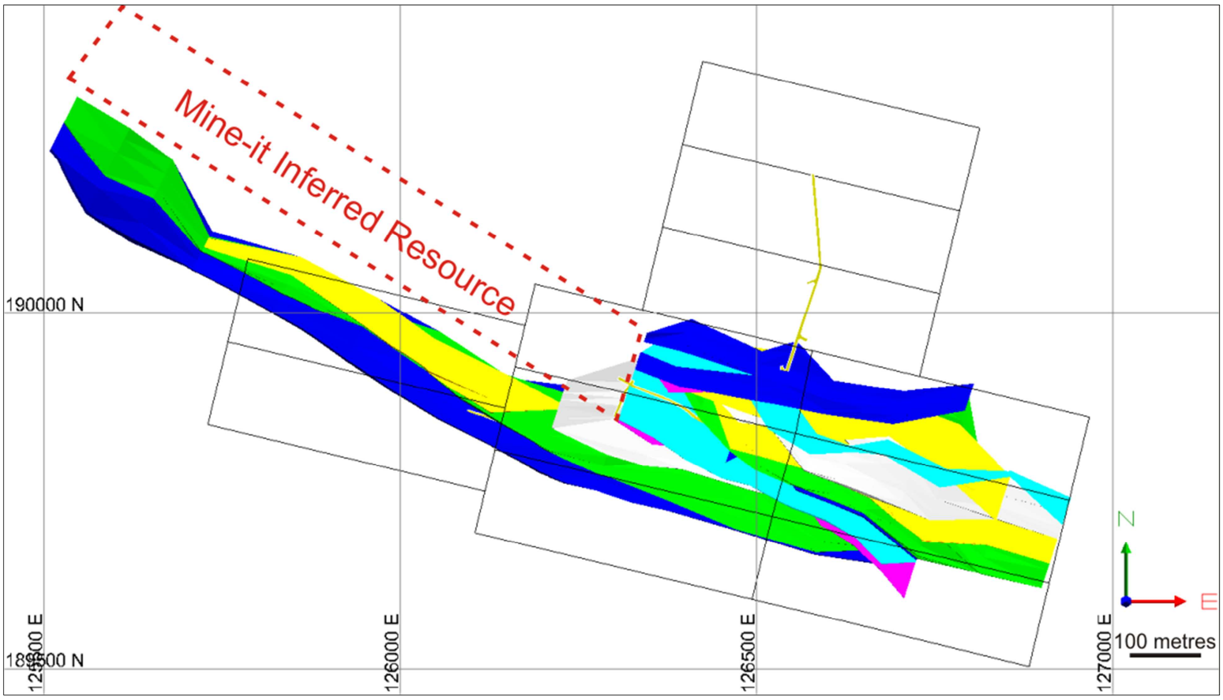

Figure 22: Plan View of Resource Model Showing Mine-It Inferred Resources Inside Red Dashed Area Extrapolated From the Main Drilled Resource to the East. (Mine-It 2012).

The JORC Code (2004) resource estimate by Mine-It, and declared as JORC Code (2004) compliant by the competent person, is summarised in Table 15.

Of the total Measured and Indicated resources 93% lies within the Mining Licences and 7% outside the Mining Licences but still within the Exploration Licences. Of the Inferred resources, 46% are outside the Mining Licences but still remain within the Exploration Licences.

Category	Inside Mining Licence Mt	Outside Mining Licence Mt	Total Million Tonnes	Li_2O (%)
Measured*	3.4	0.3	3.7	1.5%
Indicated	3.0	0.2	3.2	1.2%
Inferred	5.4	4.6	10.0	1.2%

Table 15: Historic JORC Code (2004) Resource Estimate (Mine-It/Miller, 2012) (* Measured at a lower cut off of 0.75% Li_2O).

Resource Classification

Although the Mine-It/Miller resource classifications of Measured, Indicated and Inferred may have been valid under JORC Code (2004) they are not valid under JORC Code (2012). The lack of original source documentation on the drilling methods and core recoveries, procedures followed when sampling the diamond core, QA/QC procedures followed during the core sampling and chemical analyses, AM&A have revised the resource classifications as follows: Mine-It/Miller and JORC Code (2004) "Measured" to JORC Code (2012) Inferred and Mine-It/Miller and JORC Code (2004) "Indicated" and "Inferred" to JORC Code (2012) Exploration Targets.

It is strongly recommended, as detailed in the Recommendations section of this report, that all the historic data generated by Minerex is properly compiled and where applicable the data collected from secondary sources replaced. This primary data should then be used in all future resource modelling. It is also strongly recommended that independent duplicate check samples from the underground workings are collected to verify the earlier mapping and sampling results, twin diamond drill holes of the earlier Minerex drill holes drilled to verify the earlier drill sampling results, several additional diamond drill holes are drilled below the current wireframed veins to intersect the main pegmatite veins at about 1100mRL to verify the Mine-It "Indicated" and "Inferred" resources.

Once the deposit has been re-modelled with the new data, new resource estimates can be made, and depending on the success of the data compilation, twinned drilling and duplicate sampling, will reasonably allow a JORC Code (2012) compliant resource to be estimated. If the earlier drilling and sampling results are confirmed by the newer drilling and, after economic and mining parameters have been applied, the resources in the veins immediately above and below the underground workings to the extent of the underground drilling could probably be expected to be in the Measured category, the veins intersected by at least three drill holes no further than 50m apart on the main cross sections to be Indicated and to the extent of the remainder of the drilling along strike and at depth not included in the Measured and Indicated resource estimates to be Inferred.

Further resources are likely if further diamond drilling is initiated at Zone 2, where boulder mapping and limited drilling has identified AH and MH pegmatites in Zone 2 verifying the geological interpretation that Zone 2 is the southern limb of an anticline with the potential to repeat the main deposit in the north.

Other Relevant Data and Information

The author is unaware of any further data and information that should be included in this report that would make this report more understandable.

Interpretation and Conclusions

Consumption and the market price of lithium has been steadily rising over the past decade and with the increased use of lithium in rechargeable batteries for most common electronic devices, laptop computers and more recently electric cars, the future for lithium's price and consumption looks optimistic.

The Wolfsberg Lithium Project is located near Wolfsberg in southern Austria, approximately 270 kilometres by road south of the country's capital Vienna. European Lithium Ltd has 11 Mining Licences and 54 Exploration Licences that cover the Wolfsberg lithium deposit.

The Wolfsberg lithium deposit is composed of a number of concordant pegmatite dykes or "veins" which are hosted by a sequence of amphibolites and mica schists folded to form a large anticline. These pegmatites contain spodumene, a lithium bearing mineral, which is the main economic mineral. Other minerals contained in the pegmatites that have economic potential are feldspar for ceramics, muscovite mica for filler and quartz for glass manufacture.

The original owners and discoverers of the deposit, Minerex, carried out extensive exploration over the deposit and identified two significant areas named Zone 1 and Zone 2, located on opposite limbs of the large anticline. They focussed most of their work on Zone 1, on the northern limb of the anticline. Initially Minerex carried out extensive surface geology mapping and sampling followed up with 12,012 metres of diamond drilling collared from the surface. A decline and underground development was subsequently developed to allow detailed mapping and sampling of several of the main pegmatite veins underground and to provide access to further in-fill diamond drilling. Two trial mining stopes were also developed to provide geotechnical data, samples for metallurgical tests and to test the mining characteristics of the ore.

Minerex undertook mineral processing studies between 1982 and 1987 on selected samples from the Wolfsberg pegmatites at the Minerals Research Laboratory of the North Carolina State University College of Engineering (NCSU). As a result of the NCSU flotation and magnetic separation test work, spodumene concentrates with Li_2O grades >6% with spodumene recoveries of over 85% could be produced from both high grade and low grade ores contaminated with 10% amphibolite or 10% mica schist. Furthermore, ceramic grade feldspar could also be produced with feldspar recoveries of >90% at concentrate grades of >86% feldspar from both ore types. The recovered feldspar amounted to 28-32% of the head feed. Glass quality quartz concentrate was also produced from both ore types with recoveries ranging from 15-17% of the head feed achieved. A mica concentrate was also considered a possible by-product using screening after milling. Spodumene concentrates were then tested for conversion to lithium carbonate. A 96% Li_2CO_3 product was produced at a 93% recovery from a 6% Li_2O spodumene concentrate.

In 2011Mine-It, Austrian mining consultants, compiled all the available Minerex data. No copies of primary Minerex reports had been located at the time detailing drilling and sampling methods and QA/QC procedures followed, or even surveyed drill hole collar locations and geologist logs of the core. The only drilling data available was from secondary sources that included scanned plots of maps and cross sections that were digitised by Mine-It to create a digital data base prior to creating a preliminary geological and resource model.

Mine-It/Miller in 2012 estimated that the JORC Code (2004) lithium resources in Zone 1 at Wolfsberg were as listed in Table 16:

Category	Inside Mining Licence Mt	Outside Mining Licence Mt	Total Million Tonnes	Li_2O (%)
Measured *	3.4	0.3	3.7	1.5%
Indicated	3.0	0.2	3.2	1.2%
Inferred	5.4	4.6	10.0	1.2%

Table 16: Historic JORC Code (2004) Resource Estimate (Mine-It, 2012) (* Measured at a lower cut-off of 0.75% Li_2O).

All resources are within the existing exploration licences and the Company can and will apply for additional mining licences to fully cover the resource when necessary.

Although the Mine-It/Miller resource classifications of Measured, Indicated and Inferred may have been valid under JORC Code (2004) they are not valid under JORC Code (2012). Due to the loss of source data on the drilling methods and core recoveries, procedures followed when sampling the diamond core and the QA/QC procedures followed during the core sampling and chemical analyses, AM&A have revised the resource classifications as follows: Mine-It/Miller “Measured” and JORC Code (2004) to JORC Code (2012) Inferred and Mine-It/Miller “Indicated” and “Inferred” and JORC Code (2004) to JORC Code (2012) Exploration Targets.

A more thorough search of the GSM and KMI Archives in 2014 has recently uncovered much of the missing primary Minerex data and reports.

Once all the historic data generated by Minerex has been properly compiled and independent duplicate check samples are taken from the underground workings, a number of twin diamond drill holes of the earlier Minerex drill holes and several additional diamond drill holes are targeted below the current wireframed veins and to the west of the main resource are drilled to verify the earlier sampling results and geological interpretations, a JORC Code (2012) resource can be modelled and estimated.

Additional resources are likely if additional diamond drilling is initiated at Zone 2, where boulder mapping and scout drilling have identified pegmatites.

Recommendations

This report does not discuss the costs of Metallurgical Testwork or the Pre-Feasibility Study.

The 18 month work programme set out below is proposed by European Lithium for the Wolfsberg Project area to allow the resources to be re-modelled using data sourced from primary sources and to comply with the current JORC Code (2012). The programme content and priorities may change subject to results generated by ongoing exploration with possible new targets being generated as a clearer understanding of the local geology and the controls to mineralisation becomes evident.

It is recommended that the initial program will include the following components:

- Compile all the available historical Minerex data and records from archives stored at the Ministry in Vienna and the KMI and GSM databases, and determine which can be considered primary data and utilised for resource modelling
- Compile a centralised GIS database.
- After all the underground mapping and sampling data has been properly compiled, collect independent duplicate check samples from the underground workings to verify the earlier mapping and sampling results,
- Drill three diamond drill holes to twin earlier Minerex drill holes to verify the earlier drill sampling results,
- Drill an additional three diamond drill holes to intersect the main pegmatite veins at about 1100mRL to verify the geological interpretation and vein continuity with depth as proposed in the Mine-It “Indicated” and “Inferred” resources model,
- Drill three additional diamond drill holes to the west of the main resource to verify whether there is vein continuity as proposed in the Mine-It “Inferred” resources.
- Carry out a structural analysis of the Wolfsberg project area including aerial photograph and satellite imagery interpretation to assist in the understanding of the structure of the anticline, its hinge and the previously identified major fault between Zones 1 and 2.
- Continue pegmatite boulder mapping and trenching in the poorly mapped areas of the anticline hinge and Zone 2 in the southern limb of the interpreted anticline

- Drill Zone 2 to establish a resource.

A budget of €1,087,000 is estimated for the recommended 18 month exploration program as summarised in Table 17.

Description	Quantity	Unit Cost €	Budget €
Historic data compilation and establish database			€25,000
Map and re-sample underground workings to check previous results for Measured resources			€17,000
Drill diamond drill holes below current resource to 1100m RL for verification of geological model	3x600m	€200/m	€360,000
Drill 6 diamond drill holes as twins of Minerex holes and to west of current resource for Inferred resources	6 x 250m	€200/m	€300,000
Structural analysis, mapping and sampling of the anticline including Zone 2			€20,000
Drilling Zone 2	8 x 215m	€200/m	€344,000
JORC Code (2012) resource estimation			€21,000
TOTAL			€1,087,000

Table 17: Budget for Recommended Exploration Program.

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Glossary

NOTE: Oxford Dictionary of Current English; for any terms not covered in the Glossary: Oxford University Press.

Amphibolite	One of the major metamorphic rock types.
Anomaly	Value higher or lower than the expected or norm.
Aplite	Fine-grained igneous rock. Most aplites are granitic in composition — chief constituents are feldspars and quartz.
Augen	(from German "eyes") are large, lenticular eye-shaped mineral grains or mineral aggregates visible in some foliated metamorphic rocks.
Base metal	Generally a metal inferior in value to the precious metals, eg. copper, lead, zinc, nickel.
Biotite	Common phyllosilicate mineral within the mica group, with the approximate chemical formula K(Mg,Fe) 3AlSi $_3$O 10(F,OH) 2.
Biotitization	Replacement of pyroxene, amphibole or garnet by biotite.
Complex	An assemblage of rocks or minerals intricately mixed or folded together.

Diamond drill	Rotary drilling using diamond impregnated bits, to produce a solid continuous core sample of the rock.
Dip	The angle at which a rock layer, fault of any other planar structure is inclined from the horizontal.
Dyke	A tabular intrusive body of igneous rock that cuts across bedding at a high angle.
Fairfieldite	Named for the type locality in the Fillow quarry in Fairfield County, Connecticut, USA. See below for the chemical formula.
Fault	A fracture in rocks on which there has been movement on one of the sides relative to the other, parallel to the fracture.
Feldspars	($KAlSi_3O_8$ – $NaAlSi_3O_8$ – $CaAl_2Si_2O_8$) are a group of rock-forming tectosilicate minerals that make up as much as 60% of the Earth's crust.
Föhn	Type of dry, warm, down-slope wind that occurs in the lee (downwind side) of a mountain range.
Footwall	Rocks underlying mineralisation .
Geochemical	The systematic study of the variation of chemical elements in rocks survey and soil.
Granite	A coarse grained igneous rock consisting essentially of quartz and more alkali feldspar than plagioclase.
Hectorite	A rare soft, greasy, white clay mineral with a chemical formula of Na0.3(Mg,Li)3Si_4O10(OH)2
Inosilicate	Class of polymeric silicates in which the silicon-oxygen tetrahedral groups share half of their oxygen atoms so as to form straight chains of indefinite length.
Intercept	The length of rock or mineralisation traversed by a drillhole.
JORC	Joint Ore Reserves Committee- Australasian Code for Reporting of Identified Resources and Ore Reserves.
Magnetic Survey	Systematic collection of readings of the earth's magnetic field.
Metabasics	Metamorphosed basic/mafic rock types.
Mineralisation	In economic geology, the introduction of valuable elements into a rock body.
Ore	A mixture of minerals, host rock and waste material which is expected to be mineable at a profit.
Organolithium	Compounds, strong bases and nucleophiles, gained outstanding importance as key intermediates and powerful reagents in organic synthesis
Outcrop	The surface expression of a rock layer (verb: to crop out).

Palaeozoic	A time period from approximately 590 to 225 million years ago.
Pegmatite	An intrusive igneous rock with very large crystals that forms in the later stages of a magma chamber's crystallization.
Pyroxene	Any of a group of important rock-forming silicate minerals of variable composition, among which calcium-, magnesium-, and iron-rich varieties predominate.
Precious Metals	Gold and the platinum group elements.
Primary	Mineralisation which has not been affected by near surface mineralisation oxidising process.
Proterozoic	The geological age after Archaean, approximately 570 to 2400 million years ago.
Quartz	A very common mineral composed of silicon dioxide-SiO_2.
RAB	Rotary Air Blast (as related to drilling)—A drilling technique in which the sample is returned to the surface outside the rod string by compressed air.
RC	Reverse Circulation (as relating to drilling)—A drilling technique in which the cuttings are recovered through the drill rods thus minimising sample losses and contamination.
Recent	Geological age from about 20,000 years ago to present (synonym: Holocene).
Reconnaissance	A general examination or survey of a region with reference to its main features, usually as a preliminary to a more detailed survey.
Remote Sensing	Geophysical data obtained by satellites processed and presented Imagery as photographic images in real or false colour combinations.
Reserve	In-situ mineral occurrence which has had mining parameters applied to it, from which valuable or useful minerals may be recovered.
Resource	In-situ mineral occurrence from which valuable or useful minerals may be recovered, but from which only a broad knowledge of the geological character of the deposit is based on relatively few samples or measurements.
Schlieren	From German; singular "Schliere", meaning "streak".
Shear (zone)	A zone in which shearing has occurred on a large scale so that the rock is crushed and brecciated.
Symplectite	A material texture: a micrometre-scale or sub-micrometre-scale intergrowth of two or more crystals.
Spodumene	A pyroxene mineral consisting of lithium aluminium inosilicate, Li $Al(SiO_3)_2$, and is a source of lithium.
Stratigraphy	The succession of superimposition of rock strata. Composition, sequence and correlation of stratified rock in the earth's crust.

Strike	The direction or bearing of the outcrop of an inclined bed or structure on a level surface.
Stringer	A narrow vein or irregular filament of mineral traversing a rock mass.
Subcrop	The surface expression of a mostly concealed rock layer.
Syncline	A fold where the rock strata dip inwards towards the axis (antonym: anticline).
Ultramafic rocks	Containing less than 45% silicon dioxide.
Tectosilicate,	Formerly called Polysilicate, any member of a group of compounds with structures that have silicate tetrahedrons.
Unconformable	Descriptive of rocks on either side of an unconformity.
Unconformity	Lack of parallelism between rock strata in sequential contact, caused by a time break in sedimentation.
Vein	A narrow intrusive mineral body.
Volcanic	Relating to the eruption of a volcano.
Volcanic	Describes clastic fragments of volcanic origin.

CHEMICAL SYMBOLS

Ag	Silver
As	Arsenic
Au	Gold
C	Carbon
Ca	Calcium
Cs	Caesium
Cu	Copper
F	Fluorine
Fe	Iron
Li	Lithium
H	Hydrogen
Mn	Manganese
Mo	Molybdenum
Na	Sodium
Nb	Niobium
Ni	Nickel
O	Oxygen
P	Phosphorus
Pb	Lead
Rb	Rubidium
Sn	Tin
Ta	Tantalum
U	Uranium
W	Tungsten
Zn	Zinc

ABBREVIATIONS

cm	centimetre

g	gram
g/t	gram per tonne
ha	hectare
kg	kilogram
km	kilometre
km^2	square kilometre
m	metre
m^2	square metre
m^3	cubic metre
mm	millimetre
M	million
t	tonne
oz	troy ounce, equivalent to 31.1035g.

UNITS OF CONCENTRATION

ppb	parts per billion
ppm	parts per million

Selected Minerals from the Koralpe Spodumene Deposit

β – Uranophan	$Ca(UO_2)Si_2O_7.5H_2O$
Fairfieldite	$Ca_2(Mn,Fe)(PO_4)_2$.2H2O
Ferrisicklerit	(Li, Fe^{3+}, $Mn^{2+)}PO_4$
Ferrocolumbit	$FeNb_2O_6$
Heterosit	(Fe, Mn) (PO_4)
Holmquistite	$Li_2(Mg,Fe_2+)_3Al_2Si_8O_{22}(OH)_2$
Hydrxyl-Herderit	$CaBe(PO_4)$ (OH)
Ixiolith	$(Ta,Nb,Sn,Fe,Mn)_4O_8$
Kassiterit	SnO_2
Ludlamite	(Fe,Mn,Mg)3(PO4)2·$4H_2O$.
Messelit-Fairfieldit	$Ca(Fe^{2+},Mn)$ $(PO_4)_2.2H_2O$
Pyrochlor	$(Na,Ca)_2Nb_2O_6(OH,F)$
Roscherite	Ca2Be4Me5(PO4)6(OH)4 • 6 H_2O,
Triphylin	$LiFe^{2+}(PO_4)$

Uralolite	$Ca_2Be_4(PO_4)_3(OH)_3 \cdot 5H_2O$
Vivianite	(Fe2+. Fe2+ 2(PO_4) 2$\cdot$8H_2O)
Weinebeneit	CaBe3(OH)2(PO4)2.4H2O

Date and Signature Page

I, Allen J Maynard confirm that I am the Competent Person for the Report and: I have read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition).

I am a Competent Person as defined by the JORC Code 2012 Edition, having more than five years' experience that is relevant to the style of mineralisation and type of deposit described in the Report, and to the activity for which I am accepting responsibility.

I am a Member of both The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists.

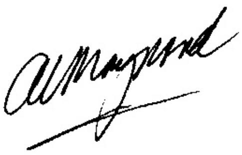
I have reviewed the Report to which this Consent Statement applies.

I am the Principal Geologist of Al Maynard & Associates and have been engaged by European Lithium to prepare the documentation for Wolfsberg Lithium Project on which the Report is based, for the period ended 9th October, 2014.

I have disclosed to the reporting company the full nature of the relationship between myself and the company, including any issue that could be perceived by investors as a conflict of interest.

I verify that the Report is based on and fairly and accurately reflects in the form and context in which it appears, the information in my supporting documentation relating to Mineral Resources

I consent to the release of the Report and this Consent Statement by the directors of: European Lithium Limited.

Signature of Competent Person	Signature of Witness:
 Allen J Maynard Professional Membership: MAusIMM, MAIG Membership Numbers: # 104986, # 2062 Date: 9th October, 2014	 Date: 9th October, 2014 Philip Alan Jones 4 Buchan Place Hillarys, Western Australia 6025

JORC Code, 2012 Edition – Table 1

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.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (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.*	• Only diamond drilling core sample assays used. Sampling procedures not available but believed to be whole core submitted for chemical analysis. Sample intervals determined by logged geology contacts. • The drilling was centred on a regular grid over the length of the deposit to avoid location bias.
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).*	• Diamond drilling only used. Details on core recovery systems, core diameter etc not available.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and*	• No records available on sample recoveries. • Due to the rock types drilled, i.e. massive amphibolites, mica schist and pegmatites, it is very unlikely that sample and assay bias would be introduced by selective sample

Criteria	JORC Code explanation	Commentary
	grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	recovery.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• All the drilled core was qualitatively and quantitatively logged by Minerex geologists sufficient to accurately determine mineralised pegmatite contacts.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• No definitive reports available on sampling methods used however it appears that the whole of the core in pegmatite was submitted for chemical analysis. • Sample intervals were determined by the logged pegmatite contacts with a single sample for each pegmatite interval. • There are no records available describing the quality control procedures followed. • Since all the core in the pegmatite veins was submitted for chemical analysis the samples are considered by the author to be appropriate for the grainsize of the material being sampled. It is presumed that the samples were crushed and pulverised at the laboratory before the samples were further split.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• There are no definitive reports available on the assaying methods and laboratory procedures used however it is likely that the samples were analysed at the Naturhistorisches Museum, in Vienna with Li analysed by atomic absorption spectroscopy and all other elements by microprobe which are appropriate analytical methods for the elements being tested. • All the chemical analyses are total assays. • No details are available of any quality control procedures followed to ensure the accuracy of the analyses.
Verification of sampling	• *The verification of significant intersections by either independent or alternative company personnel.*	• No independent verification of the data was made by AM&A.

Criteria	JORC Code explanation	Commentary
and assaying	• *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• No twinned holes have been drilled to check quality of original drilling. • Since there were no copies of primary data sources available such as drill logging sheets, drill hole collar surveys etc, all the data compiled for this report and resource estimate is from secondary sources such as digitised plots of maps and cross sections. • No adjustment of assay data was necessary.
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.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• No records available describing the method(s) used to survey drill hole collars. The accuracy of drill hole collar surveys cannot be verified.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• The drilling was centred on a regular grid over the length of the deposit to avoid location bias and at a density to ensure that the resource estimate meets the reliability criteria for the JORC Code (2012) resource categories quoted in this report.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The intersection angle of the drilling with respect to the mineralisation was variable, but generally at approximately 50-70 degrees, making most drill intersections longer than the true width of the mineralisation. The resource modelling software uses the data in 3D and so compensates for the wider apparent thicknesses and so no material sample bias exists.
Sample security	• *The measures taken to ensure sample security.*	• No records are available describing the procedures followed to ensure sample security.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• There have been no audits or reviews of the sampling techniques or data.

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.
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>Full details of the 22 Exploration Licences and 11 Mining Licences are included in the Tenure section of this report.
There are no native title interests, historical sites, wilderness or national park and environmental settings that could potentially affect any future mining operations.
All the licences are wholly owned by European Lithium Ltd.
There are no royalties due to the Austrian government.
A royalty of €1.50/tonne for minerals sold is payable to Exchange Minerals.</td></tr>
<tr><td>Exploration done by other parties</td><td>Acknowledgment and appraisal of exploration by other parties.</td><td>Almost all the exploration work described in this report at the Wolfsberg Lithium Project was carried out by Minerex.</td></tr>
<tr><td>Geology</td><td>Deposit type, geological setting and style of mineralisation.</td><td>The lithium at Wolfsberg is in the form of spodumene contained within a series of sub-parallel pegmatite dykes or “veins”, following late stage regional scale shearing, that are hosted by a sequence of amphibolites and mica schists folded to form a large anticline. These pegmatites contain fine grained spodumene which is the main economic mineral. Other minerals contained in the pegmatites that have economic potential are feldspar for ceramics and quartz for glass manufacture.</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:
easting and northing of the drill hole collar
elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar
dip and azimuth of the hole
down hole length and interception depth
hole length.
If the exclusion of this information is justified</td><td>A summary of the drill holes and other exploration work completed is as follows:
<table>
<tr><th>Exploration Work</th><th>Parameters</th><th>Quantity</th></tr>
<tr><td>Exploration trenches (surface)</td><td>number / volume</td><td>35 / 9,940 m³</td></tr>
<tr><td>Diamond core drilling (surface)</td><td>number / length</td><td>64 / 12,012 m</td></tr>
<tr><td>Decline drift from surface</td><td>length</td><td>417.6 m</td></tr>
<tr><td>Underground development between veins</td><td>length</td><td>119.2 m</td></tr>
<tr><td>Drifts following veins (along strike)</td><td>length</td><td>853.7 m</td></tr>
<tr><td>Diamond core drilling (underground)</td><td>number / length</td><td>37 / 4,715 m</td></tr>
</table>
A summary of the drilling results is as follows:</td></tr>
</table>

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td>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></th><th>L12O (%)</th><th>Be (ppm)</th><th>Sn (ppm)</th></tr>
<tr><td>Count</td><td>531</td><td>530</td><td>458</td></tr>
<tr><td>Minimum</td><td>0.3</td><td>0.0</td><td>0.0</td></tr>
<tr><td>Maximum</td><td>14.1</td><td>3.5</td><td>390.0</td></tr>
<tr><td>Average</td><td>1.4</td><td>1.1</td><td>104.5</td></tr>
<tr><td>Mode</td><td>0.5</td><td>0.0</td><td>90.0</td></tr>
<tr><td>Standard Deviation</td><td>1.2</td><td>0.7</td><td>49.9</td></tr>
</table>
</td></tr>
<tr><td>Data aggregation methods</td><td>• 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.
• Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.
• The assumptions used for any reporting of metal equivalent values should be clearly stated.</td><td>• All intersections quoted in text are length weighted averages and all resource estimates are tonnage weighted averages
• None of the assay data was adjusted by applying upper cuts or by compositing.
• No metal equivalents were quoted in the report.</td></tr>
<tr><td>Relationship between mineralisation widths and intercept lengths</td><td>• These relationships are particularly important in the reporting of Exploration Results.
• If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.
• If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</td><td>• The intersection angle of the drilling with the mineralised pegmatites varied and so was consistently longer than the true width of the veins. The resource modelling was carried out in 3D so all apparent widths were accounted for in the estimation method.</td></tr>
<tr><td>Diagrams</td><td>• Appropriate maps and sections (with scales)</td><td>• All the necessary maps and cross sections have been included in the report.</td></tr>
</table>

Criteria	JORC Code explanation	Commentary
	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.	
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.*	• A resource estimate based on all the drilling is 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.*	• No other exploration data other than local geology maps were considered in the resource estimate.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• It is recommended that once all the historic data generated by Minerex and other earlier owners has been properly compiled and independent duplicate check samples are taken from the underground workings, four twin diamond drill holes of the earlier Minerex drill holes and several additional diamond drill holes are targeted below the current wire-framed veins and to the west of the main resource are drilled to verify the earlier sampling results and geological interpretations, a JORC Code (2012) resource can be modelled and estimated. • Additional resources are likely if diamond drilling is initiated at Zone 2, where outcrop and boulder mapping have previously identified pegmatites.

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

Criteria	JORC Code explanation	Commentary
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.* • *Data validation procedures used.*	• Data used as received but checked for Hole ID and sample interval errors by the resource modelling software.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• AM&A geologist Allen Maynard undertook site visits to the project between 11th and 19th November 2011 and again between 15th to 17th April 2014, visiting and examining the mine workings as well as the potentially significant anomalous zones nearby in order to properly understand the local geology, operating conditions and to inspect, review and collate all the data including original geological reports and sample data, maps, drill core and any other documentation that may be relevant to the quality assurance of this CPR.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• The basic geology is relatively simple and well understood. • There is sufficient data available for a JORC Code (2012) resource estimate of the reliability category stated in this report. • The geology was used in the resource modelling. • The continuity of the pegmatite veins in the resource modelling was determined by the diamond drilling logs and underground and surface mapping.
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 mineralisation is not properly closed off along strike to the west or down dip.
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.* • *The availability of check estimates, previous estimates*	• AM&A considers that these modelling parameters are appropriate for an Inferred resource estimate of the type and style of mineralisation being modelled. • No adjustments or domaining was applied to the data. • By-products were not considered in the resource modelling although it is noted that feldspar for ceramics, quartz for glass manufacture and mica are potential by-products. • The reported Mine-It resource was checked by AM&A using

Criteria	JORC Code explanation	Commentary
	and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data. • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	wireframes and drilling data as supplied and the results were comparable. No independent modelling nor auditing has been carried out. • Full independent checking and auditing will be carried out once the primary data sources have been compiled and resource modelling repeated. • All the modelled pegmatite veins were wireframed and checked against Minerex maps and cross sections to confirm they matched. • The L12O assays followed a normal distribution for a spodumene deposit and there were no exceptional assays that required cutting.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• All tonnes and grades are on a dry basis. • All samples received at the laboratory for chemical analysis are routinely oven dried before assaying. • The assumed bulk density used is based on dried rock.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• The resource modelling was confined by wire framing of the individual pegmatite veins. No cut-off grades or minimum vein thicknesses were used to report the resources.
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 has been assumed that all the veins included in the resource estimates will be selectively mined underground using either long hole or cut and fill methods as reported in the Austroplan pre-feasibility study. • Since the resources are only classified as Inferred with no reserves reported, no rigorous mining factors were applied to the resource estimates.

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.*	• Metallurgical tests carried out on samples collected from the Wolfsberg deposit by the University of North Carolina, USA, showed that recoveries of spodumene concentrates of better than 93% at grades of 94.5% spodumene were produced from ore free of amphibolite, while recoveries of better than 91% at grades of better than 80% spodumene were obtained from ore containing 10-15% amphibolite and mica schist. In addition to the recovery of high grade spodumene concentrates, ceramic grade feldspar and quartz suitable for glass manufacture was extracted from the rougher tails produced by the spodumene float. Spodumene concentrates were then tested for conversion to lithium carbonate. A 96% $_{L12}CO_3$ product was produced at a 9% recovery from a 6% $_{L12}O$ spodumene concentrate.
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.*	• No environmental factors were considered however the mining licences have sufficient suitable area to accommodate a mining and processing operation including provision for waste disposal. Additional mining licences can be applied for within the area covered by the exploration licences if required to provide for any further mining or infrastructure requirements. • There are no obvious especially environmentally sensitive areas in the vicinity of the deposit although the usual impact studies and government environmental laws and regulations will need to be complied with.
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.* • *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.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• A bulk density of 2.8 tonnes per cubic metre was used to convert volumes of pegmatite to tonnes. This value is an assumed value based on typical pegmatite mineralogies of feldspars, quartz and muscovite mica. AM&A strongly recommend that a suite of representative samples of pegmatite as well as both the amphibolites and mica schists are collected and their bulk densities measured using an appropriate water displacement method.
Classification	• *The basis for the classification of the Mineral Resources into*	• The resource was classified by AM&A as Inferred based on

Criteria	JORC Code explanation	Commentary
	varying confidence categories. • *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).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	the spacing of the drilling and quality of the data used in the estimation. • AM&A believes that this classification to be appropriate and complies with JORC Code (2012).
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• No audits or reviews of the Mineral Resource Estimates have been made.
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.* • *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.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• Since the resource estimate is based on secondary data sources and they were not checked against primary data sources such as surveyed drill collar coordinates, geologist core logs etc and no reports are available that describe the drilling techniques used, sampling and analytical techniques and the QA/QC procedures followed, AM&A have classified the resources within the wireframes determined by drilling as Inferred and the remaining estimates based on extrapolation as Exploration Targets. • All quoted estimates are global for the deposit. • The resource categories used accurately reflect the reliability of the resource estimates.

Appendix 1: Summary Table of Assets

Tenement Number	Exploration Licence Centroid ID	Holder	Interest (%)	Status	Licence Expiry Date	Licence Area (Hectares)
1	104/96	ECM Lithium AT GmbH	100	Exploration	31/12/2019	56.7*
2	105/96	ECM Lithium AT GmbH	100	Exploration	31/12/2019	56.7*
3	106/96	ECM Lithium AT GmbH	100	Exploration	31/12/2019	56.7*
4	107/96	ECM Lithium AT GmbH	100	Exploration	31/12/2019	56.7*
5	108/96	ECM Lithium AT GmbH	100	Exploration	31/12/2019	56.7*
6	109/96	ECM Lithium AT GmbH	100	Exploration	31/12/2019	56.7*
7	110/96	ECM Lithium AT GmbH	100	Exploration	31/12/2019	56.7*
8	111/96	ECM Lithium AT GmbH	100	Exploration	31/12/2019	56.7*
9	112/96	ECM Lithium AT GmbH	100	Exploration	31/12/2019	56.7*
10	113/96	ECM Lithium AT GmbH	100	Exploration	31/12/2019	56.7*
11	114/96	ECM Lithium AT GmbH	100	Exploration	31/12/2019	56.7*
12	115/96	ECM Lithium AT GmbH	100	Exploration	31/12/2019	56.7*
13	116/96	ECM Lithium AT GmbH	100	Exploration	31/12/2019	56.7*
14	117/96	ECM Lithium AT GmbH	100	Exploration	31/12/2019	56.7*
15	118/96	ECM Lithium AT GmbH	100	Exploration	31/12/2019	56.7*
16	119/96	ECM Lithium AT GmbH	100	Exploration	31/12/2019	56.7*
17	120/96	ECM Lithium AT GmbH	100	Exploration	31/12/2019	56.7*
18	121/96	ECM Lithium AT GmbH	100	Exploration	31/12/2019	56.7*
19	122/96	ECM Lithium AT GmbH	100	Exploration	31/12/2019	56.7*
20	123/96	ECM Lithium AT GmbH	100	Exploration	31/12/2019	56.7*
21	124/96	ECM Lithium AT GmbH	100	Exploration	31/12/2019	56.7*
22	125/96	ECM Lithium AT GmbH	100	Exploration	31/12/2019	56.7*
23	370/11(611/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
24	371/11(612/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
25	372/11(613/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
26	373/11(614/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
27	374/11(615/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
28	375/11(616/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
29	378/11(619/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
30	379/11(620/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
31	380/11(621/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
32	381/11(622/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
33	382/11(623/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
34	383/11(624/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
35	384/11(625/11)	ECM lithium AT GmbH	100	Exploration	31/12/2015	56.7*
36	386/11(627/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
37	387/11(628/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*

38	388/11(629/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
39	389/11(630/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
40	390/11(631/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
41	391/11(632/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
42	392/11(633/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
43	394/11(636/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
44	395/11(637/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
45	396/11(638/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
46	397/11(639/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
47	398/11(640/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
48	400/11(645/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
49	401/11(646/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
50	402/11(647/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
51	403/11(648/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
52	408/11(648/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
53	409/11(641/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
54	412/11(649/11)	ECM Lithium AT GmbH	100	Exploration	31/12/2015	56.7*
55	Andreas 1	ECM Lithium AT GmbH	100	Mining	Indefinite**	4.8***
56	Andreas 2	ECM Lithium AT GmbH	100	Mining	Indefinite**	4.8***
57	Andreas 3	ECM Lithium AT GmbH	100	Mining	Indefinite**	4.8***
58	Andreas 4	ECM Lithium AT GmbH	100	Mining	Indefinite**	4.8***
59	Andreas 5	ECM Lithium AT GmbH	100	Mining	Indefinite**	4.8***
60	Andreas 6	ECM Lithium AT GmbH	100	Mining	Indefinite**	4.8***
61	Andreas 7	ECM Lithium AT GmbH	100	Mining	Indefinite**	4.8***
62	Andreas 8	ECM Lithium AT GmbH	100	Mining	Indefinite**	4.8***
63	Andreas 9	ECM Lithium AT GmbH	100	Mining	Indefinite**	4.8***
64	Andreas 10	ECM Lithium AT GmbH	100	Mining	Indefinite**	4.8***
65	Andreas 11	ECM Lithium AT GmbH	100	Mining	Indefinite**	4.8***

COMMENTS: All tenements are in Austria as described above and at the Advanced Exploration stage; Wolfsberg Lithium Project

*Exploration Licences overlap each other, **Mining licences are granted indefinitely providing annual work commitments are met ***Mining Licences overlap Exploration Licences (see description in Tenure section of this report)

The project is close to supporting infrastructure, roads, rail and cities. Other mining activities are already established in the area. This project has a strategic location for mining and supply of lithium to European markets.

Appendix 2: Resources by Status

Category	Gross			Net attributable			Operator
	Tonnes (millions)	Grade Li_2O%	Contained metal ('000 tonnes)	Tonnes (millions)	Grade Li_2O %	Contained metal ('000 tonnes)	
Ore/Mineral reserves per asset	0			0			
Proved	0			0			
Probable	0			0			
Sub-total	0			0			
Mineral resources per asset							
Measured	0			0			
Indicated	0			0			
Inferred	3.7	1.5	55.5	3.7	1.5	55.5	ECM Lithium AT GmbH
Sub-total	3.7	1.5	55.5	3.7	1.5	55.5	ECM Lithium AT GmbH
Total	3.7	1.5	55.5	3.7	1.5	55.5	ECM Lithium AT GmbH

Source: A. Maynard, 2014

Note: "Operator" is name of the company that operates the asset

"Gross" are 100% of the **reserves** and/or **resources** attributable to the licence whilst "Net attributable" are those attributable to the **AIM company**

NOTES: Of the total resources 93% lies within the Mining Licences and 7% outside the Mining Licences but still within the Exploration Licences.

Resource Classification

Although the Mine-It/Miller resource classifications of Measured, Indicated and Inferred were considered valid under JORC Code (2004) guidelines they are not valid under JORC Code (2012) guidelines. The lack of original source documentation on the drilling methods and core recoveries, procedures followed when sampling the diamond core, QA/QC procedures followed during the core sampling and chemical analyses,

AM&A have revised the resource classifications as follows: Mine-It/Miller and JORC Code (2004) "Measured" to JORC Code (2012) Inferred and Mine-It/Miller and JORC Code (2004) "Indicated" and "Inferred" to JORC Code (2012) Exploration Targets.