



ASX/Media Release

(ASX: MZN)

20 December 2016

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Issued Capital:

1,165m fully paid ordinary shares,

236.8m listed options Ex. 2.0c Expiring
31 December 2016

64m unlisted options Ex. 2.5c Expiring
31 December 2019

High grade lithium intersected at the Gem Pegmatite Mining Lease, Forrestania

- **110m pegmatite containing 34m grading 3.1% Li₂O confirmed in priority first assay result from reconnaissance drilling.**
- **Intersection includes high grade section of 10m grading 4.2% Li₂O.**
- **Expanded drilling program planned to test strike extensions.**

Marindi Metals Ltd (ASX: MZN) is pleased to provide the following update on the progress of exploration at the Gem Pegmatite Mining Lease at Forrestania in Western Australia.

As previously reported¹, reconnaissance exploration drilling commenced on 10 December 2016 and is at an early stage, with the program consisting of approximately 2000m drilled on lines 400m apart and nominally on 40m intervals across coincident soil and geological anomalism. The aim of the program is to determine the extent of pegmatite(s) present and their strike and dip. This initial program is expected to be completed in late December.

On the most northerly line, hole GPRC06 intersected 110m of pegmatitic material from surface to 110m down the hole, see plans attached. At this stage the Company has not determined the dip or strike of the unit so the true width of the intersection is unknown, but the initial interpretation is that the unit is sub vertical. To shorten the turnaround time for the receipt of analyses 2 metre composites were prioritised for analysis to determine if the pegmatite was a specialised type such as one of the lithium caesium tantalum (LCT) style. Examples of LCT pegmatites include Greenbushes, Pilgangoora and the neighbouring Earl Grey deposit.

Marindi is pleased to report that assay results for hole GRC6 confirm significant lithium mineralisation, including a high-grade zone at the interpreted base of the pegmatite assaying **34m @ 3.1% Li₂O** from 68 m down hole including a **10m zone @ 4.2% Li₂O** from 82

¹ Refer ASX release dated 6 December 2016

downhole. The 34m zone has a very low iron content averaging 0.26% Fe₂O₃ and this material is important to ceramic and optical industry end users. The pegmatite shows evidence for zonation as is common in LCT pegmatites and it is highly anomalous in the characteristic elements Tantalum (Ta), Niobium (Nb), Tin (Sn), Beryllium (Be), Rubidium (Rb) and Caesium (Cs) in addition to its lithium content. Final assays for some intervals have yet to be received.

Drilling Program

The most northerly drill traverse, comprising holes GPRC03-8, was designed to test the plus 10ppm Ta soil anomaly in an area mapped as pegmatite (refer attached geology plan). The weathering profile and presence of extensive siliceous cap rock material makes the interpretation of the geology very difficult. It should be noted that the drill traverse is located to the north of the strongest part of the Ta soil geochemical anomaly. Holes GPRC03-5 and 7-8 intersected meta-dunitic rock units except for hole GPRC08 which returned a 6m wide pegmatite intersection. No samples from these holes have yet been submitted for analysis yet as the priority was to sample GPRC06.

The drill traverse completed approximately 400m to the south lies parallel to a costean which returned 3.9% Li₂O in lepidolite-bearing samples and is the location of the Giant pegmatite. Minor pegmatitic material was intersected in holes GPRC01 and GPRC02 however this traverse was abandoned due to drilling difficulties and the loss of a drill string so the area remains to be effectively tested. It is planned to move 200m to the north and test this zone where the Ta anomaly is much stronger and pegmatite has been mapped in several costeans.

The drill rig has now moved to the south of the lease to test the extensions to the Gem Pegmatite pit and a Ta soil anomaly that lies along strike of the previously mined Gem Pegmatite.

Although it is still early in the exploration program, Marindi is highly encouraged by these initial results and will submit an expanded program of works (POW) application to the Department of Mines and Petroleum of Western Australia in order that follow up drilling of the high grade lithium pegmatite can recommence as quickly as possible in the New Year. It is anticipated that this expanded program will require multiple drill rigs to rapidly determine the resource potential of the lithium mineralisation.

In addition to this initial exploration drilling, Marindi has also planned a major geochemical sampling program over its 850sq km of tenure in the Forrestania belt (refer attached map) and considers this initial success at the Gem pegmatite as an endorsement of its strategy and the Company's belief in potential of its large tenement holding at Forrestania.

Marindi Managing Director Joe Treacy said: "It is enormously encouraging to achieve such positive results from our very first lithium drilling program at Forrestania, and we keenly await the receipt of further assay results.

"We also look forward to rapidly stepping up our exploration activities in the New Year at Gem, as well as other targets in our extensive and highly prospective Forrestania holdings."

Marindi Chairman Ross Ashton said: "The Marindi Board is delighted with these early results, which are testament to Marindi team's technical skills in conceptualising and pioneering the lithium potential of the Forrestania belt and what we see as the emergence of a world class lithium province."

Corporate

As previously reported², Marindi currently has an action before the Supreme Court of Western Australia against Kidman Resources Ltd (ASX: KDR). Marindi considers that it has a binding contractual agreement to acquire lithium rights on Kidman's Mount Holland tenements at Forrestania. Marindi lodged its claim to the Supreme Court on 5 December and has been informed that Kidman will lodge their defence today 20 December. The matter has been added to the CMC list and will be case managed by the Hon Justice Kenneth Martin.

Marindi also wishes to advise that Kidman Resources Ltd (ASX: KDR) largest shareholder Capri Trading Pty Ltd acquired 50,000 shares in Marindi on 28th November 2016 for a total consideration of approximately \$800. Capri Trading Pty Ltd issued a summons against the directors of Marindi individually for orders for a pre-action discovery pursuant to Order 26A Rule 4 of the Supreme Court Rules, which was served on 8th December 2016. The directors via their solicitors requested that Capri Trading Pty Ltd withdraw the application by December 19 as it is misconceived. Capri did not withdraw the application and the directors have via their solicitors served a memorandum of appearance. There is no action against Marindi Metals Limited.

The company hereby requests the lifting of the trading halt on the company's securities.

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Competent Persons Statement

Information in this release that relates to Exploration Results is based on information prepared by Mr Joseph Treacy a Member of the Australasian Institution of Mining and Metallurgy and the Australian Institute of Geoscientists Mt Treacy is the Managing Director of Marindi Metals Ltd, a full time employee and shareholder. Mr Treacy has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activities being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Treacy consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.

² Refer ASX release dated 14 November 2016

Figure 1 – Cross Section

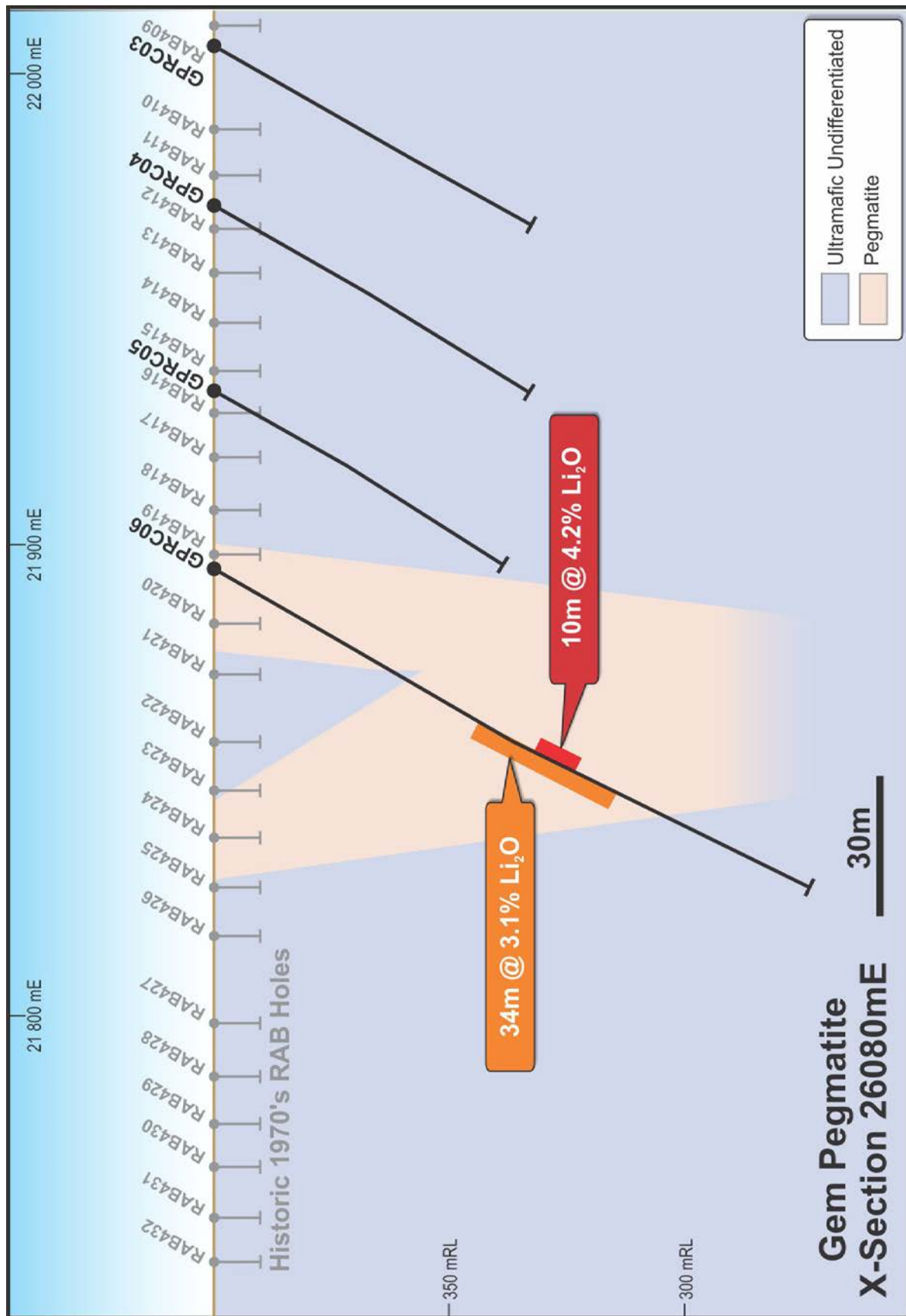


Figure 2 -Geology Plan

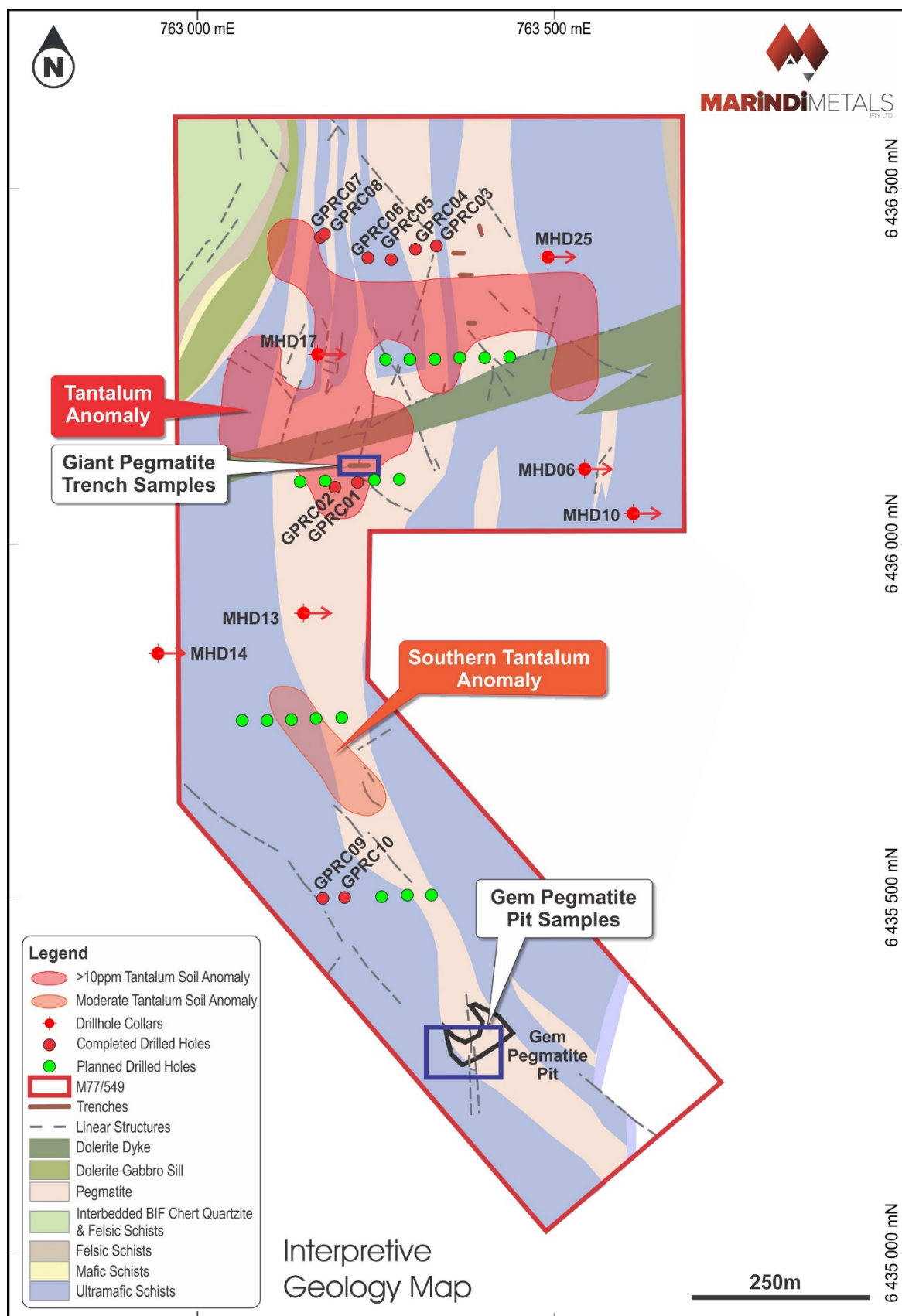


Figure 3 – Forrestania Lithium Belt

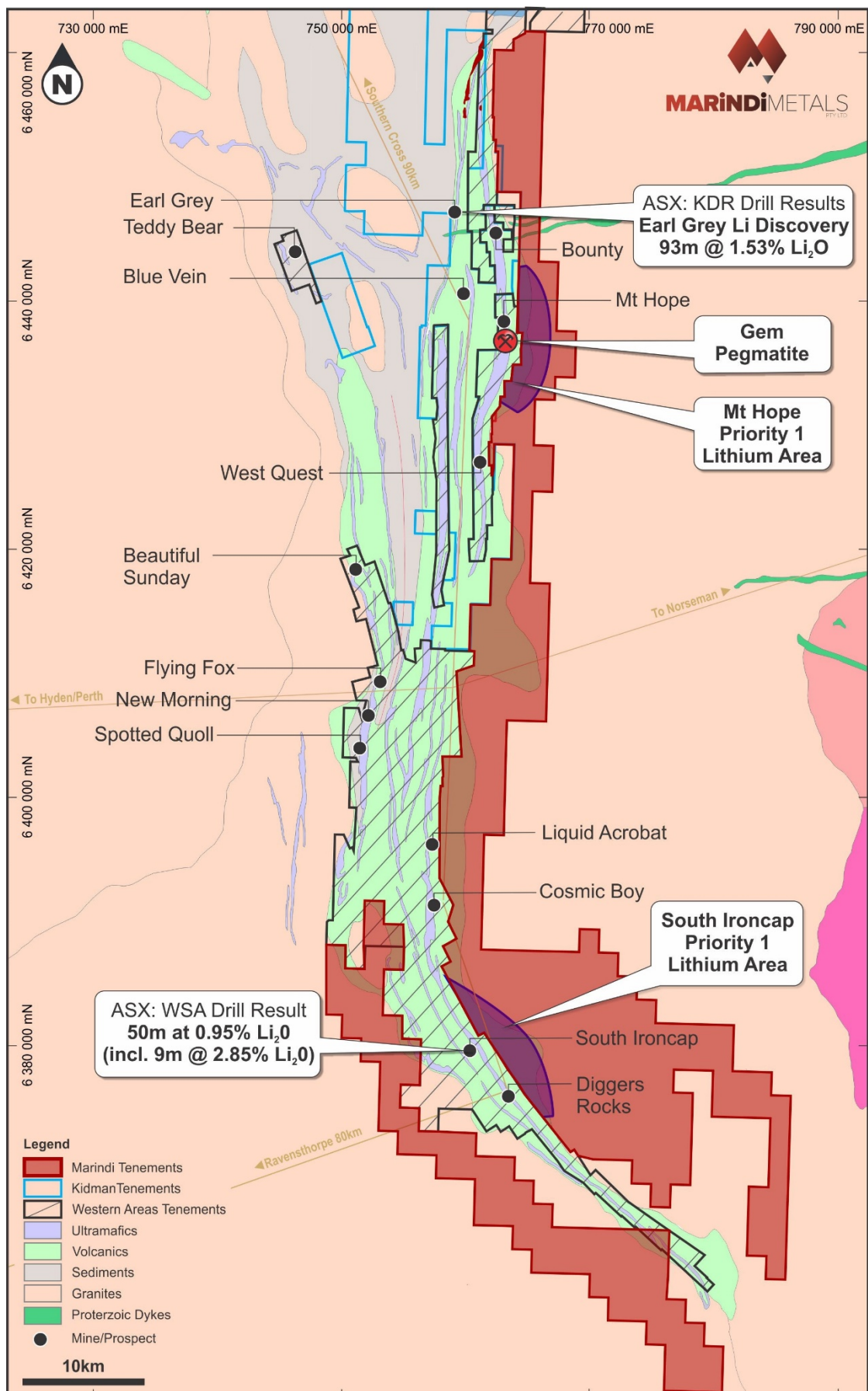


Figure 4 – RC Drilling Chips



Table 1 - Significant Assays at a 0.3% Li2O cut-off

Hole_ID	Northing_Local	Easting_Local	MGA_E	MGA_N	From	To	Interval	Li2O %	Fe2O3 %
GPRC06	26084.72	21894.168	763286 Including	6436484	68	102	34	3.10	0.26
					82	92	10	4.20	0.25
					68	70	2	0.73	0.24
					70	72	2	1.94	0.23
					72	74	2	3.56	0.19
					74	76	2	2.12	0.30
					76	78	2	1.64	0.33
					78	80	2	2.39	0.44
					80	82	2	3.83	0.24
					82	84	2	4.13	0.23
					84	86	2	4.18	0.23
					86	88	2	4.26	0.27
					88	90	2	4.20	0.26
					90	92	2	4.09	0.27
					92	94	2	3.82	0.30
					94	96	2	3.55	0.27
					96	98	2	3.13	0.20
					98	100	2	2.93	0.19
					100	102	2	2.37	0.24

Table 2 – Collars

Hole_ID	Northing_Local	Easting_Local	MGA_E	MGA_N	Depth	Az_Mag	Dip
GPRC01	25700.98	21882.58	763269	6436105	78	265	-55
GPRC02	25693.22	21843.31	763230	6436097	36	89	-60
GPRC03	26103.96	22011.03	763402	6436504	78	258	-60
GPRC04	26099.19	21975.75	763367	6436499	78	260	-60
GPRC05	26081.32	21934.61	763326	6436481	72	261	-60
GPRC06	26084.72	21894.17	763286	6436484	144	261	-60
GPRC07	26119.85	21812.88	763206	6436518	108	260	-60
GPRC08	26125.86	21819.86	763213	6436524	120	82	-57
GPRC09	24992.48	21835.32	763212	6435405	72	80	-59
GPRC10	24993.16	21872.67	763249	6435406	72	80	-60

Table 3 - Assay Results

Hole	From	To	Interval	Be ppm	Cs ppm	Fe2O3 %	Li2O ppm	Rb ppm	Sn ppm	Ta ppm
GPRC006	0	2	2	1.63	2.7	4.60	26	4.4	1.4	2.37
GPRC006	2	4	2	6.89	10.6	5.35	73	53.8	7.2	9.04
GPRC006	4	6	2	31.2	55.8	13.60	400	449	9.6	19.2
GPRC006	6	8	2	71.4	223	18.88	306	2310	4	56.9
GPRC006	8	10	2	9.23	21.7	21.74	812	372	27	>100
GPRC006	10	12	2	24	148.5	25.53	433	1480	9.4	70.7
GPRC006	12	14	2	64.3	344	8.91	408	3610	11.1	93.5
GPRC006	14	16	2	35.9	437	8.64	364	5140	4.6	39.8
GPRC006	16	18	2	40.4	470	7.58	499	5400	7.7	43.5
GPRC006	18	20	2	50.4	379	6.12	728	4060	24.4	92.1
GPRC006	20	22	2	44.7	88.4	7.35	878	760	44.4	55.1
GPRC006	22	24	2	67.5	102	5.02	803	860	58.6	50.6
GPRC006	24	26	2	52.3	482	2.75	702	4660	27.3	46.5
GPRC006	26	28	2	47.3	300	2.96	969	2730	54.5	57.2
GPRC006	28	30	2	65.7	386	1.44	683	3600	35.2	100
GPRC006	30	32	2	46.2	337	3.13	794	3060	38	55.9
GPRC006	32	34	2	14.25	>500	3.00	807	4880	4.5	16.4
GPRC006	34	36	2	45.8	57.8	2.09	1141	1010	11	54
GPRC006	36	38	2	18.9	>500	0.84	762	5930	4.4	18.05
GPRC006	38	40	2	48.3	499	0.83	827	4620	13.4	99.9
GPRC006	40	42	2	99.8	230	1.49	760	2270	19.8	52.7
GPRC006	42	44	2	221	180.5	4.13	766	1360	78.4	44.9
GPRC006	44	46	2	20.2	24.9	7.24	132	189	7.3	6.94
GPRC006	46	48	2	4.5	11.45	6.96	51	82	2.1	2.05
GPRC006	48	50	2	55.8	57.3	4.18	760	212	15.5	53
GPRC006	50	52	2	42.1	59.7	3.10	685	239	13.2	41.2
GPRC006	52	54	2	56.4	204	1.90	738	2060	31.3	34.9
GPRC006	54	56	2	14.55	460	1.36	499	5890	3	11.85
GPRC006	56	58	2	11.5	>500	0.64	588	6480	1.6	11.05
GPRC006	58	60	2	7.01	348	0.36	540	4290	1	7.39
GPRC006	60	62	2	23.3	285	0.41	1443	2850	4.7	43.9
GPRC006	62	64	2	41.8	314	0.43	1292	2940	8.3	59.3
GPRC006	64	66	2	18.9	>500	0.23	2519	5760	2.7	49.8
GPRC006	66	68	2	50.5	440	0.27	1292	5500	7.8	43.9
GPRC006	68	70	2	30.6	488	0.24	7277	5220	2.4	35.2
GPRC006	70	72	2	30.4	>500	0.23	19442	2010	2.9	59.9
GPRC006	72	74	2	8.1	60.1	0.19	35611	107	0.7	3.35
GPRC006	74	76	2	13.75	133.5	0.30	21164	520	1.2	11.15
GPRC006	76	78	2	19.25	191.5	0.33	16363	950	2.3	25
GPRC006	78	80	2	8.94	215	0.44	23877	2200	5.6	4.87
GPRC006	80	82	2	6.47	43.8	0.24	38280	303	2.3	48.3
GPRC006	82	84	2	7.69	22	0.23	41295	86.7	2.5	8.29
GPRC006	84	86	2	8.37	18.3	0.23	41811	62.1	1.3	17.85
GPRC006	86	88	2	7.35	14.05	0.27	42586	33.3	1.4	3.05
GPRC006	88	90	2	6.62	33.5	0.26	42048	28.3	0.9	1.87
GPRC006	90	92	2	6.31	30.1	0.27	40929	25.7	0.5	1.22
GPRC006	92	94	2	5.59	94	0.30	38173	45.8	0.8	10.25
GPRC006	94	96	2	7.19	111	0.27	35481	57.7	1.8	23.9
GPRC006	96	98	2	6.7	107	0.20	31283	83.3	1	11.3
GPRC006	98	100	2	6.22	176	0.19	29281	72.9	0.6	8.86
GPRC006	100	102	2	6.12	198.5	0.24	23748	116.5	3.9	7.18
GPRC006	102	104	2	5.44	398	0.50	1550	4140	25	10.75
GPRC006	104	106	2	29.8	281	0.61	1507	1180	74.2	35.2
GPRC006	106	108	2	18.45	167	0.66	1141	1500	123.5	21
GPRC006	108	110	2	403	>500	1.94	1873	3110	220	>100
GPRC006	110	112	2	29.6	129	3.85	204	183.5	10.3	13.25
GPRC006	112	114	2	22.3	75.9	5.71	137	172.5	12.7	5.95

Appendix 1 – JORC TABLE 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections)

Criteria	JORC Code Explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down-hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i> <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> <i>In cases where ‘industry standard’ work has been done this would be relatively simple (e.g. ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 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 (e.g. submarine nodules) may warrant disclosure of detailed information.</i> 	<ul style="list-style-type: none"> Two samples are taken for each metre drilled using Reverse Circulation method. A bulk sample is collected in a 600x900mm plastic bag and a 4% split using a cone splitter is also taken in a calico bag. Sample intervals are then determined by geology and geochemistry (portable XRF). If a single 1m sample is required then a single 4% split is assayed, or if composite samples are required then 1m splits are combined and assayed. If a composite sample is greater 3kg, then a 25% riffle split is taken to composite. If further sampling is required spear samples can be taken from the bulk samples
Drilling techniques	<ul style="list-style-type: none"> <i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i> 	<ul style="list-style-type: none"> Drilling method used is Reverse Circulation. The drill rig is a RCD250 rig with 2400CFM and 800 PSI. A 146mm hammer was used.

Criteria	JORC Code Explanation	Commentary
Drill sample recovery	<ul style="list-style-type: none"> • <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> • <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> • <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i> 	<ul style="list-style-type: none"> • An experienced RC driller from a high standard drilling contractor are being used for this drill program. The Drilling contractor and Marindi Metals are using industry standard techniques to maximise sample recoveries and produce representative sample intervals during RC drilling. The cyclone and splitter are levelled and cleaned after every 6m run, or if there is significant movement noticed, then it is levelled after every 1m to provide a representative split. Sample recovery is recorded for every 1m by Marindi geologists and geotechnicians. Where sample recovery is less than 100% and the sample is assayed, recovery is noted in the assay ledger. • Drilling to date by Marindi has had very good sample recovery through the pegmatites. No bias has occurred during sampling.
Logging	<ul style="list-style-type: none"> • <i>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.</i> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> • Every metre drilled has geology and XRF analysis. Geology logs record geological units, alteration, veining and percentage of relevant minerals. All RC samples are analysed once using a Thermo Scientific Niton Portable XRF. All data is validated before entering Marindi's database.

Criteria	JORC Code Explanation	Commentary
Subsampling techniques and sample preparation	<ul style="list-style-type: none"> <i>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.</i> <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> <i>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.</i> 	<ul style="list-style-type: none"> Sample intervals are determined by a Marindi geologist. All intervals are documented digitally and on ticket books. Sample intervals are determined by geological intervals. Two samples are taken for each metre drilled using Reverse Circulation method. A bulk sample is collected in a 600x900mm plastic bag and a 4% split using a cone splitter is also taken in a calico bag. Sample intervals are then determined by geology and geochemistry (portable XRF). If a single 1m sample is required then a single 4% split is assayed, or if composite samples are required then 1m splits are combined and assayed. If a composite sample is greater 3kg, then a 25% riffle split is taken to composite. If further sampling is required spear samples can be taken from the bulk samples
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> <i>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.</i> <i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i> 	<ul style="list-style-type: none"> Samples are analysed via a 4 acid digest with an ICP-MS finish. This method is considered to be a total analysis of the sample with 48 elements assayed for. For Li samples greater than 10000ppm, a new analysis is done using Na₂O₂ fusion with a ICP-AES finish. The analysis is completed by an industry leading laboratory. Each batch of samples analysed has several standards, blanks and duplicates included. <p>No geophysical tools are used. A XRF instrument is used to aid geological logging and determination of sample intervals. No XRF data has been reported by Marindi Metals.</p>

Criteria	JORC Code Explanation	Commentary
Verification of sampling and assaying	<ul style="list-style-type: none"> <i>The verification of significant intersections by either independent or alternative company personnel.</i> <i>The use of twinned holes.</i> <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> Intersections have been verified by Marindi personal and contract professionals. None of the drill holes in this report are twinned. All data is recorded on paper and then entered into a database. Data is then checked before being moved into a primary database. Data is backed up on a remote server in two locations. Adjusting Li to Li₂O is achieved by multiplying by 2.15 and adjusting Fe to Fe₂O₃ is achieving by multiplying by 1.43. These being the relevant atomic weight ratios.
Location of data points	<ul style="list-style-type: none"> <i>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.</i> <i>Specification of the grid system used.</i> <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> All collar co-ordinates of drill holes in this release have been located via a Garmin hand held GPS. Locations are averaged for a minimum of 15 GPS readings. Accuracy is assumed to be within +- 4m. Drill holes will be routinely surveyed by a surveyor as the drilling program progresses. Drill hole locations are measured in GDA94, MGA Zone 50. Topographic control is considered adequate.
Data spacing and distribution	<ul style="list-style-type: none"> <i>Data spacing for reporting of Exploration Results.</i> <i>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.</i> <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> The drill in this program has been completed along approximately 400x40m spaced drill holes. As stated in the release, Marindi do not know the dip, strike or true width of the reported intersection. Available data suggests the intersection may be vertical. Further drilling will be required to confirm this. Exploration drilling at the Gem Pegmatite is preliminary and spacing and distribution of exploration results is not sufficient to support Mineral Resources or Ore Reserves. Each reported assay in this release is a 2m composite. Composites are 4% cyclone splits.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> <i>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.</i> 	<ul style="list-style-type: none"> No significant orientation based sampling bias is known at this time. The drill holes may not necessarily be perpendicular to the orientation of the intersected mineralisation. All reported intervals are downhole intervals, not true widths. True widths and orientation of mineralised bodies will be established with additional drilling.

Criteria	JORC Code Explanation	Commentary
Sample security	<ul style="list-style-type: none"> <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> Appropriate security measures are taken to dispatch samples to the laboratory. Chain of custody of samples are managed by Marind Metals. Samples are stored onsite and transported to the laboratory by a licence transport company. The laboratory issues a receipt and a reconciliation of delivered samples against the laboratory analysis submission form from Marindi Metals.
Audits or reviews	<ul style="list-style-type: none"> <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> Marindi Metals have not completed any external audits or reviews of the sampling techniques and data.

Section 2 Reporting of Exploration Results
(Criteria in this section apply to all succeeding sections)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> • <i>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.</i> • <i>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.</i> 	<p>The Gem pegmatite prospect is comprised of granted mining lease ML 77/549 which is under an option agreement to Marindi metals Limited. The option allows Marindi the ability to purchase 100% of the tenement on certain terms and conditions which are detailed in Marindi ASX release dated September 20,2016.</p>
Exploration done by other parties	<ul style="list-style-type: none"> • <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> • Numerous exploration companies have conducted exploration on M77/549 Significant exploration results are summarised in JORC Table 1 attached. • A large amount of historic data is available to Marindi Metals and appraisal of data is continuing. • The majority of nickel exploration was reported on by Amax Exploration (Aust) limited in 1975 . The sampling and appraisal of the LCT pegmatites was most comprehensively reported on by Aztec Exploration in 1985 (Wamex ref A17582) and specifically appendix 2 of that report entitled "The potential for pegmatite related mineralisation in the Mt Hope District Yilgarn Goldfields, Westerns Australia" by Dr L F Betternay. • Further information was also supplied by Mr K Robinson the operator of the Gem Rubellite mine in the early 1980s.

Criteria	JORC Code explanation	Commentary
Geology	<ul style="list-style-type: none"> <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> The Gem pegmatite is one of a series of LCT pegmatites that have intruded a thick sequence of ultramafic rocks. The extent and attitude of the LCT units is unknown and is the subject of further exploration. The nickel sulphide occurrence occurs in a diamond drill hole that terminated in a dunitic sequence and is part of the eastern ultramafic belt at Forrestania. Several significant nickel sulphide deposits are known to occur within the eastern ultramafic belt at Forrestania.
Drill hole Information	<ul style="list-style-type: none"> <i>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:</i> <ul style="list-style-type: none"> <i>easting and northing of the drill hole collar</i> <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> <i>dip and azimuth of the hole</i> <i>down hole length and interception depth</i> <i>hole length.</i> <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i> 	<ul style="list-style-type: none"> Refer to Table 2 of this document, Drill Hole Collar Table.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drill-hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</i> 	<ul style="list-style-type: none"> The relationship between drilling and the LCT pegmatites is not known. The relationship between nickel mineralisation and drilling is not known. All intersections reported in this release are downhole intervals.
Diagrams	<ul style="list-style-type: none"> <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> Appropriate maps with scale are included within the body of the accompanying document.

Criteria	JORC Code explanation	Commentary
Balanced reporting	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> The accompanying document is considered to represent a balanced report.
Other substantive exploration data	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> Other exploration data collected is not considered as material to this document at this stage. Further data collection will be reviewed and reported when considered material.
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale stepout 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. 	<ul style="list-style-type: none"> Further exploration is planned once all historic data has been assessed.