Best Drilling Results to Date - Sepeda

– For Immediate Release –

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FAST FACTS

Issued Capital:	370.4m
Options Issued:	31.1m
Market Cap:	$18.5m
Cash:	$14.4m

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Highlights:

- **Thickest, highest grade intercepts to date, including 70.88m @ 1.74% Li_2O and 83.1m @ 1.43% Li_2O from infill diamond drilling at Sepeda**
- **Exploration diamond drilling extends known mineralisation a further 190m down plunge from last reported results, with intercepts including 56.97m @ 1.46% Li_2O**
- **Results highly encouraging for next Mineral Resource update at Sepeda**
- **Work continues on site at Sepeda in Portugal**

NOVO LÍTIO LTD ("Novo Lítio", "NLI" or "the Company") (ASX: NLI, FRANKFURT: ORM), is pleased to provide shareholders with an update on the Sepeda Lithium Project ("Sepeda"), Portugal. Whilst there have been delays at the project linked to recent tenure issues with the vendor, the Company is confident of its position and its ability to enforce its rights at Sepeda, and has continued to progress work on the ground specifically in the area of drilling to prove-up the Resource.

Results continue to be received for the ongoing Phase three/four diamond drilling programme. Infill diamond drilling has produced the thickest, highest grade intercepts to date at Sepeda, including **70.88m @ 1.74% Li_2O and 83.1m @ 1.43% Li_2O.**

Exploration diamond drilling has further extended the current known mineralisation by 190m down plunge, with excellent results including **56.97 m @ 1.46% Li_2O**. The mineralised shoot remains open down dip and down plunge at depth. Further exploration and infill results are expected in the coming months.

Drilling is expected to conclude in September, after which pilot plant processing will commence using material from the Phase Four diamond drilling. Full assay results will also be used to calculate a Mineral Resource update, which is expected to provide robust growth in category and size to the current Resource. Due to delays linked to recent tenure issues at Sepeda, the Resource update is now scheduled for CY Q4 2017.

Novo Lítio CEO David Frances commented: *"Appreciating the frustration delays have been causing shareholders, we are pleased to be able to share these results from the Sepeda Lithium Project. These are our best results to date. All indications point to the likelihood of a larger, higher confidence Mineral Resource in the next Resource update."*

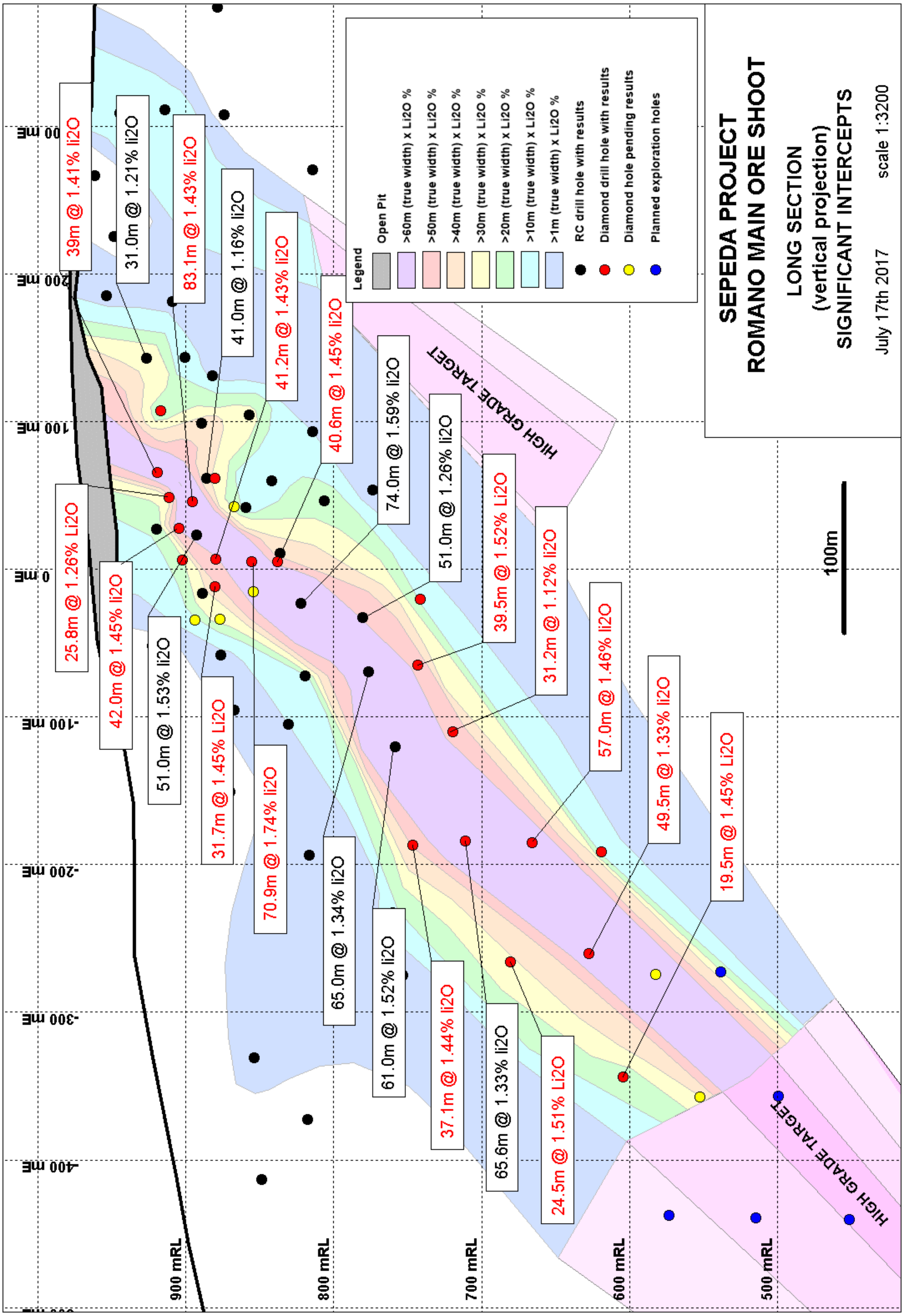

Figure 1: Long section showing new drill results in red. Contours represent lithium grade x true thickness

Drilling Progress Summary

The Company has completed three phases of drilling, and is currently well advanced in Phase four, having drilled over 18,657m of RC and diamond (113 drill holes) since lithium was discovered at Sepeda by NLI in mid-2016. The current programme has multiple objectives:

1. to grow and upgrade the current maiden Mineral Resource at Sepeda;
2. to provide a bulk sample for metallurgical test work to be used in a feasibility study; and
3. to collect geotechnical data for feasibility studies.

The diamond drilling programme is being conducted by SPI SA, a drilling company based in Leon, Spain. Drill holes are logged and cut, with samples sent for assay to Nagrom Laboratories in Perth. Part of the drill core is also sampled for metallurgical testwork purposes. Three holes are being used purely to provide material for metallurgical testwork purposes. A total of 28 diamond drill holes have now been completed in Phases three and four (Table 1), of which 19 drill holes (SDD003-SDD021) have now had assays reported. This release details the latest results from SDD005 to SDD021. Assay results for SDD022-SDD030 were outstanding at the time of writing.

Recent drilling results have produced the thickest, highest grade intercepts to date at Sepeda, including **70.88m @ 1.74% Li_2O and 83.1m @ 1.43% Li_2O.** These results have provided the team with further confidence in the current geological model at Sepeda, and will be used to upgrade Resource categories, where possible, later in the year. Full results will also be used to calculate a Mineral Resource update, which is expected to provide a substantial upgrade to the current status and size of the existing Mineral Resource. Due to the delays linked to recent tenure issues at Sepeda, the Resource update is now scheduled for CY Q4 2017.

Exploration diamond drilling has further extended the current known mineralisation by 190m down plunge, with excellent results including **56.97 m @ 1.46% Li_2O and 49.5 m @ 1.33% Li_2O**. The mineralised shoot remains open at depth, and there are also other mineralised shoots to test in future programmes (Figure 1). Further positive results are expected in the coming months. A list of the latest results is available in Appendix One.

Drilling is expected to conclude in September, after which pilot plant processing will commence using material from the Phase four diamond drilling. Remaining holes completed will be dispatched for assay, and Mineral Resource update work will commence once all results are reported.

Table 1: Drilling carried out at Sepeda and planned drilling

	Date	RC Holes/M	Diamond Holes/M
Phase One	Q3 2016	18/2,090m	0/0
Phase Two	Q4 2016	31/4,899m	2/282m
Phase Three/Four	Q1 & Q2 2017	34/4,827m	28/6,559m
Total Completed	By 17/07/2017	83/11,816m	30/6,841m
Phase Four Remaining	Q4 2017	0/0	3/400m

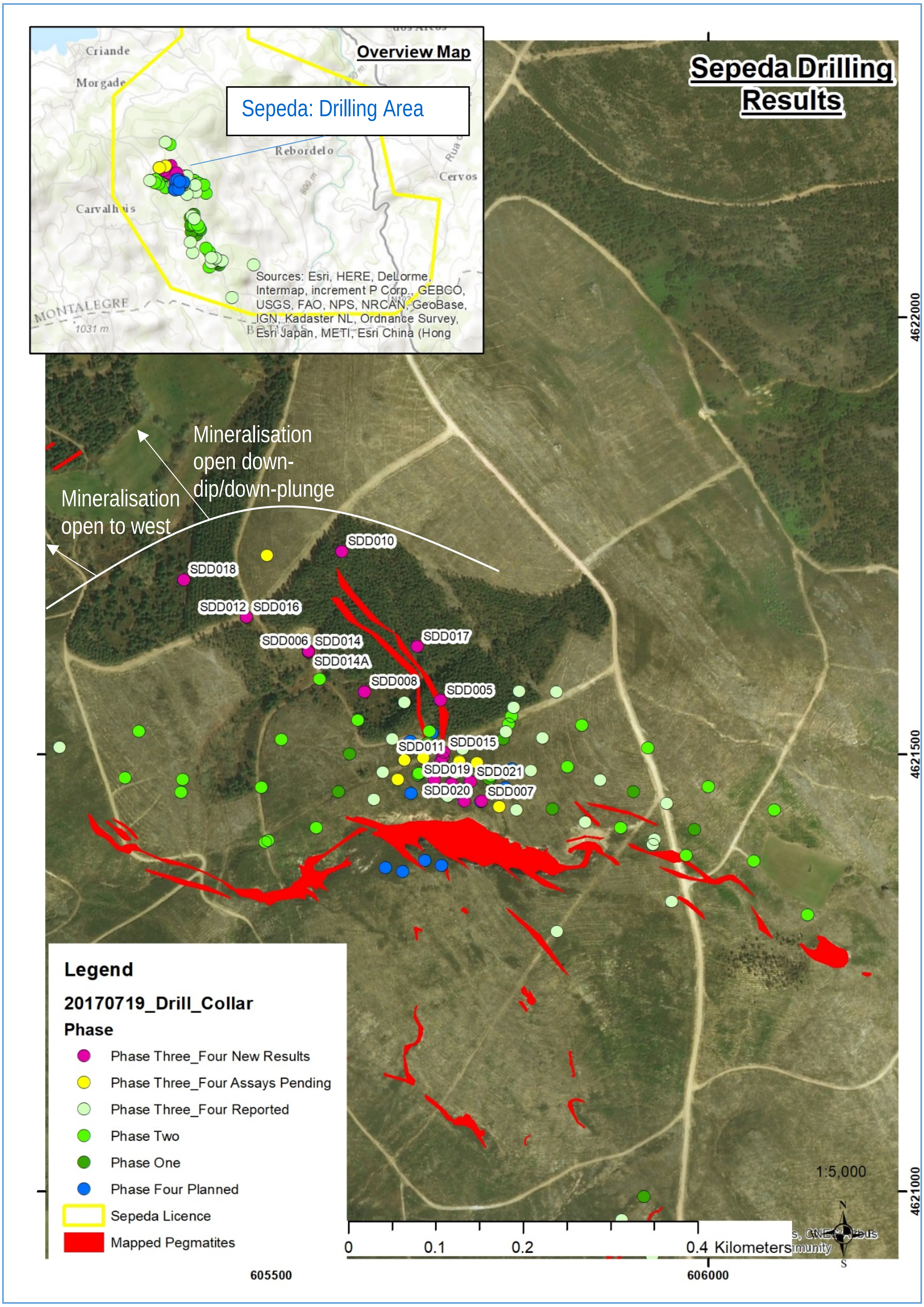

Figure 2: Location of pegmatites and recent drilling results at Sepeda

Figure 3: NLI geologist working on diamond core at Sepeda

Figure 4: Drill rig in operation at Sepeda

About Novo Lítio

Novo Lítio's aim is to become a sustainable supplier of ultra-low impurity lithium concentrate and lithium carbonate/hydroxide, to the high-tech glass and ceramics industry and the European battery markets, via its European projects in Portugal and Sweden. Both countries have public policies deemed to be highly supportive of mining, having ranked in the global Top 10 of all countries in the Fraser Institute 2015 Survey of Mining Companies for Policy Perception Index, an assessment of the attractiveness of mining policies.

Portugal

Portugal, as the leading lithium producer in Europe[1], was identified by the Company to be a high priority jurisdiction for lithium exploration. NLI's lithium projects in Northern Portugal are located over three broad districts of pegmatitic dyke swarms, which contain spodumene- and petalite-bearing pegmatites. The three main districts are the Serra de Arga, Barroso-Alvão and Barca de Alva pegmatite fields, all three of which are highly prospective for lithium mineralisation. The NLI tenement package consists of thirteen exploration licences (one granted and twelve under application). After encouraging initial results, work at the Sepeda lithium project near the Barroso-Alvão district has accelerated, with a maiden JORC Mineral Resource announced in Feb 2017, initial "sighter" metallurgical testwork now completed, and a scoping study nearing completion.

Sweden

NLI's Spodumenberget prospect is located in central Sweden, in the locality of Örnsköldsvik, in Västernorrland County. Historical reconnaissance work from the 1980s by the LKAB indicated surface lithium results[2] of up to 0.788% Li, equivalent to 1.69% Li_2O, related to spodumene-bearing pegmatite mineralisation over a large area[3]. Cassiterite and columbite were also noted. These observations have now been confirmed by the work carried out by GeoVista AB. In addition, the Company has gained a large portfolio of tenements in the Hamrånge region of Gävle Municipality in Gävleborg County, and in the Räggen region of the Bräcke Municipality, Jämtland County, in Central Northern Sweden. Both areas contain mapped LCT-type pegmatites prospective for lithium mineralisation, and will be assessed in the coming months.

Lithium in Europe

- Many countries in Europe are leading the world in uptake of electric vehicles (EVs) using lithium-ion batteries, with EVs already totalling 24% of all new vehicle sales in Norway in 2016.
- Lithium-ion batteries are already being produced in Europe to meet this increasing demand, and production capacity in car-producing countries such as Germany is growing dramatically to keep up.

[1] USGS Mineral Commodity Summaries, 2016
[2] Report no. S85-06. LKAB Exploration Reports, available from Geological Survey of Sweden. Uppföljande prospektering i området mellen Näsåker och Örnsköldsvik, Västernorrlands län, 1985
[3] Report no. S85-28. LKAB Exploration Reports, available from Geological Survey of Sweden. Rare element pegmatites in Västernorrland, Sweden. 1985

- Nine lithium-ion "megafactories" across Europe are either already producing, under construction or planned for development, including Nissan[4], Samsung[5], BMZ[6], Daimler-Mercedes[7], Tesla[8], Audi[9] and LG Chem[10].

- Battery producers will require a large lithium supply from safe, nearby jurisdictions. Sourcing lithium from Europe would also significantly reduce the carbon footprint of the car production supply chain.

The Company is of the view that as the Company's projects are closer to potential downstream processing locations than lithium deposits in Australia and Canada, which tend to be in remote locations, they offer the following economic advantages:

- The established storage and transportation infrastructure associated with the distribution of minerals in Europe will reduce the investment required by NLI for these capabilities. The net result is that deliveries of concentrates will probably be made on a daily basis.

- The proximity of potential downstream processing facilities will reduce the storage facility requirements at the mine/concentrator site.

- The proximity of the Novo Lítio lithium projects to established communities familiar with the mining and processing of lithium minerals will eliminate the need for fly-in fly-out arrangements.

- The combination of the above factors is likely to reduce the minimum size of an economic independent supply lithium battery supply chain in Europe; reducing the capital requirements of the supply chain.

Competent Person Statement

The information in this report that relates to Exploration Results is based on information compiled by Dr Francis Wedin, who is a Member of the Australasian Institute of Mining and Metallurgy. Dr Wedin is a full-time employee of NLI and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a competent person as defined in the 2012 Edition of the "Australasian Code for reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves" (JORC Code). Dr Wedin consents to the inclusion in this report of the matters based upon the information in the form and context in which it appears. All material assumptions and technical parameters underpinning the JORC 2012 reporting tables in the relevant market announcements referenced in this text continue to apply and have not materially changed.

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David J Frances

President & CEO

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[4] http://europe.autonews.com/article/20160121/ANE/160129975/nissan-will-produce-leafs-new-advanced-batteries-in-uk
[5] http://www.samsungsdi.com/sdi-news/1482.html, https://cleantechnica.com/2015/05/25/samsung-sdi-begun-operations-former-magna-steyr-battery-pack-plant/
[6] http://www.electronics-eetimes.com/news/european-battery-gigafactory-opens-1/page/0/1
[7] http://media.daimler.com/deeplink?cci=2734603
[8] https://electrek.co/2016/11/08/tesla-location-gigafactory-2-europe-2017-both-batteries-and-cars/
[9] http://europe.autonews.com/article/20160120/ANE/160129994/-audi-will-build-electric-suv-in-belgium-shift-a1-output-to-spain
[10] http://www.lgchem.com/global/lg-chem-company/information-center/press-release/news-detail-783

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Appendix 1: Drilling Data & Results - Sepeda

HOLE ID	HOLE TYPE	TOT DEPTH M	EAST WGS84 29N	NORTH WGS84 29N	RL M	AZI WGS84 29N	DIP	CONCESSION	SIGNIFICANT INTERCEPTS
PHASE THREE AND FOUR – NEW RESULTS									
SDD005	DD	280	605694	4621562	963	194	-81	MNPP04612	**5.76m @ 1.04% Li2O and 488 ppm Sn from 120.45m;** **11m @ 1.55% Li2O and 192 ppm Sn from 219.4m**
SDD006	DD	350	605543	4621619	948	197	-74	MNPP04612	**56.97m @ 1.46% Li2O and 398 ppm Sn from 270.53m**
SDD007	DD	110	605740	4621447	969	196	-50	MNPP04612	**39.01m @ 1.41% Li2O and 475 ppm Sn from 49.51m;** **11.54m @ 1.53% Li2O and 367 ppm Sn from 32.11m**
SDD008	DD	332	605607	4621571	950	197	-78	MNPP04612	**16.45m @ 1.1% Li2O and 220 ppm Sn from 198.61m;** **31.17m @ 1.12% Li2O and 351 ppm Sn from 227.29m**
SDD009	DD	115	605707	4621467	965	194	-54	MNPP04612	**42m @ 1.45% Li2O and 648 ppm Sn from 55.11m**
SDD010	DD	460	605581	4621732	968	197	-70	MNPP04612	**9m @ 1.16% Li2O and 208 ppm Sn from 277.22m;** **12m @ 1.41% Li2O and 90 ppm Sn from 369.73m,** **1.86m @ 1.44% Li2O and 446 ppm Sn from 408.41m**
SDD011	DD	176	605696	4621498	966	197	-60	MNPP04612	**70.88m @ 1.74% Li2O and 741 ppm Sn from 91.33m**
SDD012	DD	407.07	605471	4621657	954	197	-69	MNPP04612	**49.45m @ 1.33% Li2O and 568 ppm Sn from 331.43m**
SDD013	DD	133.63	605694	4621492	965	196	-64	MNPP04612	**41.22m @ 1.43% Li2O and 740 ppm Sn from 85.28m**
SDD014	DD	292.2	605542	4621617	948	196	-58	MNPP04612	**37.12m @ 1.44% Li2O and 738 ppm Sn from 231.78m;** **9m @ 0.88% Li2O and 112 ppm Sn from 217.9m**
SDD015	DD	191.16	605698	4621502	966	200	-70	MNPP04612	**40.63m @ 1.45% Li2O and 529 ppm Sn from 122.37m; 5. 71m @ 0.83% Li2O and 555 ppm Sn from 166.22m),** **15.44m @ 1.06% Li2O and 142 ppm Sn from 90.25m**
SDD016	DD	371.5	605472	4621657	954	200	-59	MNPP04612	**24.51m @ 1.51% Li2O and 687 ppm Sn from 325.3m**
SDD017	DD	308.05	605667	4621624	965	199	-67	MNPP04612	**39.46m @ 1.52% Li2O and 389 ppm Sn from 224.42m**
SDD018	DD	445.5	605400	4621700	946	199	-64	MNPP04612	**19.54m @ 1.45% Li2O and 872 ppm Sn from 394m;** **3m @ 0.97% Li2O and 316 ppm Sn (SDD018 from 345m)**
SDD019	DD	119.89	605687	4621471	964	200	-55	MNPP04612	**25.83m @ 1.26% Li2O and 675 ppm Sn from 65m**
SDD020	DD	93.11	605721	4621447	966	198	-58	MNPP04612	**31.68m @ 1.45% Li2O and 654 ppm Sn from 54.82m**
SDD021	DD	144.35	605728	4621469	968	199	-60	MNPP04612	**83.1m @ 1.43% Li2O and 583 ppm Sn from 52.16m**
SDD022	DD	470.43	605495	4621728	961	197	-70	MNPP04612	**Assays pending**
SDD023	DD	72.7	605652	4621494	960	199	-65	MNPP04612	**Assays pending**
SDD024	DD	152.1	605736	4621490	971	199	-62	MNPP04612	**Assays pending**
SDD025	DD	162.67	605400	4621700	946	197	-72	MNPP04612	**Assays pending**
SDD026	DD	494.9	605064	4621910	922	195	-62	MNPP04612	**Assays pending**
SDD027	DD	95.42	604728	4622119	897	193	-65	MNPP04612	**Assays pending**
SDD028	DD	162.02	604393	4622329	873	191	-62	MNPP04612	**Pure Metallurgical Drill Hole (no assays)**
SDD029	DD	118.4	604057	4622538	848	189	-54	MNPP04612	**Pure Metallurgical Drill Hole (no assays)**
SDD030	DD	50.1	603721	4622748	824	187	-59	MNPP04612	**Current hole**

Red – new results. NSI – No Significant Intercepts. DD – Diamond Drillhole. RC – Reverse Circulation Drillhole.

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Appendix 2: Sepeda - JORC Table 1

Section 1: Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	*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.*	NLI have drilled 83 Reverse Circulation (RC) holes for 11,816m, and 28 diamond drill (DD) holes for 6,559 m so far in Phase three/four. The results for SDD005 to SDD021 are reported here. RC holes were sampled every metre, with a rig-mounted cyclone splitter and one tier riffle splitter, including a dust suppression system, used to split samples off the rig. Approximately 85% of the RC chips were split to 600x900mm green plastic bags, for potential re-sampling, whilst 15% was captured at the sample port in draw-string calico sample bags. Drill PQ core was geologically, structurally and geotechnically logged, photographed, and marked up for cutting. The core was cut and sampled according to the geologist's instructions in Boticas, Portugal. Half the core was taken for metallurgical test-work purposes, the remaining half core was cut again, and a quarter core sample was taken for assay from each sample interval. HQ core was cut into half and half of the core was sent for assay.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used	To ensure sample representivity, drilling was conducted as perpendicular as possible to the strike of the main mineralised pegmatite bodies as mapped on the surface. RC samples were split and weights were ensured to be of sufficient size (1-3kgs) to be adequately representative of the pegmatite body, which was verified with the use of field and lab duplicates.
	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 (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30g 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	All RC samples were 1 m split samples sent to NAGROM laboratory in Perth, and analysed using ICP techniques for a suite of thirteen elements including Li_2O and Sn. All diamond holes were PQ and/or HQ. Holes were geologically logged, measured and marked up and cut on site. Quarter-core samples for PQ and half core samples for HQ were submitted to NAGROM laboratory in Perth and analysed using ICP techniques for a suite of thirteen elements including Li_2O and Sn.
Drilling techniques	*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.).*	RC Drilling has been conducted by SPI SA using a truck-mounted SPIDRILL 260 rig and compressor (rated 33 bar, $35m^3$/min). The drill rig utilised a reverse circulation face sampling hammer, with 5.5-inch bit. The sampling was conducted using a rig-mounted cyclone with cone splitter and dust suppression system. In addition, NLI is conducting PQ and HQ diamond drilling as part of phase three/four. Core is orientated and orientations are largely good, using a combination of ACT automatic orientation and conventional omnichrome spear orientation. Downhole surveying was conducted using a Reflex Gyro system and supporting Reflex Multishot.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed*	Sample recovery in percent, sample quality and moisture content was recorded by the geologist for all 1m intervals in RC holes. Sample recoveries were measured for diamond drill holes. Generally, RC samples were dry (only three wet samples within mineralised intercepts), sample quality is good and recoveries excellent, generally above 80%. Sample recovery was recorded by the geologist as "good" for all RC holes. Sample recovery was nearly 100% for mineralised intercepts in all PQ and HQ holes.
	Measures taken to maximise sample recovery and ensure representative nature of the samples	Sample recovery on RC was closely monitored by the geologist whilst drilling, for consistency of sample volume. Rods were flushed with air after each three-metre interval to prevent contamination.
	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.	No material bias has been identified.
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.*	One metre samples were laid out in lines of 20, with RC chips collected and geologically logged for each metre interval on a plastic logging sheet, then stored in RC chip trays marked with hole IDs and depth intervals. Geological logging information (including but not limited to main rock types, mineralogy in percent abundance, degree of weathering, degree of schistosity, colour and vein percent) was recorded directly onto hard-copy sheets, and later transferred to an

		Excel spread sheet. The rock-chip trays are stored at the Lusidakota office in Portugal for future reference. PQ/HQ core was logged and cut according to geological boundaries, but generally at 0.8 to 1.1m intervals. Geological logging information was recorded directly onto hard-copy sheets, and later transferred to an Excel spread sheet. The core will be stored at the NLI Boticas warehouse for future reference.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.	Logging has been primarily quantitative. All RC chips and core has been photographed.
	The total length and percentage of the relevant intersections logged	The logging database contains lithological data for all intervals in all holes in the database. All 11,816m of RC and 6841m of DD from Phase one to four have been logged in detail.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	PQ core was sawn and a sample equivalent to a ¼ core size was taken for grade analysis. Half core was retained for metallurgical testwork purposes. For HQ core, half-core was sent for grade analysis, and ¼ core retained for metallurgical testwork.
	If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	The RC samples were split at the rig using a cyclone splitter, which is considered appropriate and industry standard. Where samples could not be split due to moisture content, they were speared to gain a representative sample. Proportion of wet samples was less than 1%.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	RC chip and diamond core samples were submitted to Nagrom Laboratories. Samples submitted to Nagrom were crushed to -2mm and then milled to 80% passing 75 microns in a steel bowl.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	Quality Assurance and Quality Control utilised standard industry practice, using prepared standards, field blanks (approximately 1kg), replicates sampled in the field and pulp replicates at the lab. Field and lab duplicate results demonstrated good precision. Results were within two standard deviations.
	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.	Duplicates submitted by NLI included field RC duplicates, pulp duplicates from diamond core, and coarse crushed diamond core duplicates. Results from these samples correlated well and showed good precision.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	Drilling sample sizes (generally 1 to 5kg) are appropriate and industry-standard size, to correctly represent the relatively homogenous, medium-grained, lithium-bearing pegmatite-style mineralisation at Sepeda. As noted above, duplicates samples correlated well, therefore sample sizes are considered to be acceptable to accurately represent lithium mineralisation.
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.*	RC and diamond samples were assayed at NAGROM's laboratory in Perth, for a thirteen-element suite using a sodium peroxide fusion digest, an ICP-MS finish.
	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.	No downhole geophysical surveys were conducted and no geophysical tools were used to determine any elemental concentrations.
	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.	Three different grades of certified reference material (CRM) for lithium mineralisation was inserted, as well as laboratory duplicates and blanks. The CRM's submitted represented a weakly mineralised pegmatite (AMS0338), a moderate to high grade lithium mineralised pegmatite (AMS0340), and a high-grade lithium mineralised pegmatite (AMS0339). Quality Assurance and Quality Control utilised standard industry practice, using prepared standards, field blanks (approximately 1kg), replicates sampled in the field and pulp replicates at the lab. Results from 1,580 samples from Phase three/four are reported in this release, including QAQC samples totaling 78 standards, 74 blanks, 4 field duplicates and 74 laboratory duplicates, representing a QAQC insertion rate of approximately 18%. Results were within two standard deviations for Li_2O. Field RC duplicates, pulp duplicates and coarse diamond field duplicates generally indicate good repeatability of samples. Assay results of CRMs have been satisfactory, demonstrating acceptable levels of accuracy and precision.

Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	Independent verification was carried out by a consultant to the Company, Iain Groves.
	The use of twinned holes.	Twinning of two RC holes with diamond drilling was attempted in the 2016 drilling, which showed variable consistency, both positive and negative, of width and mineralisation; however, the extensive dip and azimuth deviation of the RC holes meant that diamond holes could not be considered true twins. The close spaced nature of the current diamond drilling has provided consistent detailed pegmatite geometries and grade, and the further use of twinning is not required as the confidence in the current geological model is very high.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Hard copy field logs are scanned, then entered into and validated on an electronic Excel database, both of which are stored at the NLI Perth office. Data verification is carried out by the Senior Geologist on site. RC chips and diamond core drilled was photographed on site. Samples were sent to NAGROM Laboratories, Perth. Geological logging and sampling took place on-site.
	Discuss any adjustment to assay data.	Li_2O was used for the purposes of reporting, as reported by NAGROM. Ta was adjusted to Ta_2O_5 by multiplying by 1.2211. Fe was adjusted to Fe_2O_3 by multiplying by 1.4297. No other adjustment or data calibration was carried out.
Location of data points	*Accuracy and quality of surveys used to locate drillholes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	All drill-hole locations were located using a Leica Viva GNSS CS15, which has an accuracy of +/- 5mm vertical and +/-10mm horizontal. Down hole surveying of drill holes was conducted using a Reflex Gyroscope and supporting Reflex Multishot Camera
	Specification of the grid system used.	The grid system used is WGS84 Zone 29N.
	Quality and adequacy of topographic control.	RL data to date has been collected using a Leica Viva GNSS CS15, which has an accuracy of +/- 5mm vertical and +/-10mm horizontal. Topographic control is also assured using data provided by a drone detailed topographic survey conducted in 2016, with an accuracy of 0.1m.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	Exploration drill spacing between holes is generally between 40 and 60m on section, and generally 40 to 80m between sections, depending on site accessibility. Infill drilling for resource upgrade and metallurgical testwork has been conducted generally at 20 x 20m spacings
	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.	The continuity of the pegmatite can confidently be interpreted from the geology of the pegmatite dykes, which have also been mapped on surface as extending over several hundred metres length. The continuity of the mineralised portions of the pegmatite is variable, and the poor grade continuity between sections reflects the classification applied. Increased confidence is provided by Phase three/four drilling which has illustrated grade continuity in the down plunge direction.
	Whether sample compositing has been applied.	Diamond drill samples from Phase one and two averaged 0.95m in length and ranged from 0.45m to 1.13m in length and were composited to 1m as part of the maiden resource estimation process. Diamond drill samples from Phase three (SDD003 to SDD005) averaged 0.98 m in length and ranged from 0.41m to 1.30m in length and were composited to 1m as part of the maiden resource estimation process. Diamond drill samples from Phase four reported to date (SDD005 to SDD021) averaged 0.93 m in length and ranged from 0.20m to 1.37m in length RC samples were all 1 m in length with no compositing.
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.*	The orientation of drilling was designed to intersect pegmatites perpendicular to the dominant geometry. The pegmatite varies between 50 to 90-degree dip. Most of the drilling was conducted with -85 to -50-degree dip, meaning samples collected were generally almost perpendicular to mineralisation, which is deemed appropriate as per industry standard.
	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.	No orientation-based sampling bias has been identified.

Sample security	*The measures taken to ensure sample security.*	NLI contract geologists and field assistant conducted all sampling and subsequent storage in field. Samples were then delivered via air and road freight to NAGROM laboratories in Perth.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	The collar and assay data were reviewed by compiling the database on Excel, and importing into various three-dimensional modelling packages. Some minor numbering discrepancies were thus identified and amended. Review of the data during the ongoing scoping study supported correct QAQC and sampling methodology, but suggested completing umpire sampling and feldspar analysis prior to the next resource update.

Section 2: Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.	The drilling results in this announcement are in respect of drilling conducted on granted exploration licence MNPP04612. The Company's tenements and interests in Portugal comprise: (a) exploration licence applications MNPPP0407, MNPPP0424, MNPPP0427, MNPPP0426, MNPPP0430, MNPPP0431, held by Lusidakota Minerals LDA, the Company's wholly owned subsidiary in Portugal; (b) granted exploration licence MNPP04612 (Sepeda Project), held by Lusorecursos Lda; (c) exploration licence applications MNPPP0393, MNPPP0394, MNPPP0395 made by Lusorecursos Lda; (d) exploration licence applications MNPPP0274, MNPPP0275, MNPPP0396, made by Lusorecursos ARG. Tenement application MNPPP0395 is awaiting a decision on a proposed hydroelectric dam development. The grant of MNPP0393 may be affected by an overlapping national park area. All tenement applications with the exception of MNPPP0424 and MNPPP0427 are subject to overlapping claims, which are likely to proceed to public tender. The Company has a binding agreement to acquire 100% of the licences held by Lusorecursos ARG and Lusorecursos LDA, and the exploration licences on the grant of the applications. Completion of the transfer of licences to the Company remains pending and has been frustrated by the vendors. The Company has sought unsuccessfully to resolve the issue on a commercial basis. The Company considers it has binding and enforceable legal rights and will pursue the matter on an expedited basis in the Courts in Portugal.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The Company considers that it has 100% legal rights to the granted tenement MNPP04612 at Sepeda, and is not currently aware of any impediments to its continuing to operate in the area. These rights may be affected by the outcome of upcoming legal proceedings in Portugal, that the company is pursuing to ensure the completion of the transfer of tenure.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	Historical, open-source academic literature from NLI's three districts in Portugal refer to historical rock-chip, bulk samples, diamond drilling and surface channel sampling. These consist of: Martins, T, Lima, A, and Noronha, F, 2007. Locality No.1 – An Overview of the Barroso-Alvão Aplite-Pegmatite Field. Granitic Pegmatites: the state of the art – International Symposium. Field Trip Book; Lima, A and Noronha, F, 1999. Exploration for Lithium Deposits in the Barroso-Alvão Area, Northern Portugal. Mineral Deposits: Processes to Processing. Stanley et al (eds) 1999 Balkema, Rotterdam, ISBN 90 5809 068.; Charoy, B, Lhote, F, and Dusausoy, Y, 1992. The Crystal Chemistry of Spodumene in Some Granitic; Lima, A, 2000. Estrutura, mineralogia e génese dos filões aplitopegmatíticos com espodumena da região do Barroso-Alvão. Dissertation – Universidade do Porto; Lopes Nunes, J E, and Leal Gomes, C, 1994. The Crystal Chemistry of Spodumene in Some Granitic Aplite-Pegmatite Bodies of Northern Portugal. The Canadian

		Mineralogist. Vol. 32, pp 223-226. and Moura, S, Leal Gomes, C, and Lopes Nunes, J, 2010. The LCT-NYF signatures in rare-metal Variscan aplite-pegmatites from NW Portugal. Revista Electronics de Ciencias da Terra Geosciences On-line Journal ISSN 1645-0388, Vol 20, No 8. NLI does not warrant that the work completed could be referred to as "industry standard", but is indicative of petalite and spodumene-hosted, potentially economic lithium mineralisation
Geology	Deposit type, geological setting and style of mineralisation.	The Barroso- Alvão aplite-pegmatite field, located in the "Galacia-Tras-os-Montes" geotectonic zone, is characterised by the presence of dozens of pegmatite and aplite-pegmatite dykes and sills of granitic composition. The Pegmatitic dykes are typically intruded in the granitic rocks of the region, whilst the aplite-pegmatite dykes are hosted by low- to medium-grade strongly deformed metasedimentary rocks of Silurian age. The Sepeda Project, to the north of the Barroso-Alvão region, contains a swarm of multiple WNW-striking, lithium-bearing pegmatites of the LCT (Lithium-Caesium-Tantalum) type, within a pegmatite swarm area known as "Carvalhais". The main swarm area has recently been mapped to 3,000m long by 1,000m wide at its widest point. Some of the pegmatites do not outcrop and are visible only in historic underground workings. It is thought that the pegmatites form a folded system of mineralised pegmatite dykes. Lithium mineralisation grading up to 2.8% Li_2O was noted in petalite and spodumene samples at surface, which has now been confirmed through four phases of drilling.
Drill hole Information	A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: • 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.	Collar data from drilling conducted in 2016-17 are tabulated in Appendix 1 of this report, as reported on 30/01/2017 and 07/11/2016
Data aggregation methods	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.	Length weighted averages used for exploration results are reported in Appendix 1 of this announcement. Maximum 2m internal dilution, and 0.4% Li_2O cut-off was used for reporting, which is deemed to be appropriate for this style of mineralisation. Cutting of high grades was not applied in the reporting of intercepts and is not relevant to this style of mineralization.
	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.	Aggregation issues are not material in this type of deposit. No metal equivalent values were used.
Relationship between mineralisation widths and intercept lengths	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 (e.g. 'down hole length, true width not known').	Appendix 1 reports downhole lengths of pegmatite width, which is clearly stated. True widths are not known. However, due to the estimated dip of the pegmatites, and the -85 to -50-degree dip of the drill holes, the thicknesses shown are generally close to true widths, in the range 70 to 100% of true width.
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	Refer to diagrams in the body of text.
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.	All exploration results have been 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	Metallurgical testwork was previously completed at Anzaplan in Germany, which showed that an ultra-low impurity concentrate, as well as a battery grade lithium carbonate product could be produced

	method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	from material at Sepeda, through conventional methods. This was reported to market in May 2017. All meaningful and material exploration data has been reported.
Further work	The nature and scale of planned further work (e.g. 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	Phase four drilling, to produce >10 tonnes of material for a pilot metallurgical processing testwork programme, is ongoing