NOVO LÍTIO

ASX ANNOUNCEMENT
ASX: NLI. Frankfurt: ORM
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Positive Scoping Study Results from Sepeda Lithium Project

CORPORATE DIRECTORY

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FAST FACTS

Issued Capital:	370.4m
Options Issued:	31.1m
Market Cap:	$18.5m
Cash:	$14.0m

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– For Immediate Release –

Scoping Study Parameters – Cautionary Statement

The Scoping Study referred to in this announcement has been undertaken to assess various development options for the Sepeda Lithium Project. It is a preliminary technical and economic study of the potential viability of the Sepeda Lithium Project. It is based on low level technical and economic assessments that are not sufficient to support the estimation of ore reserves. 100% of the current Mineral Resource is currently in the Inferred category. There is a low level of geological confidence associated with inferred mineral resources and there is no certainty that further exploration work will result in the determination of Indicated mineral resources. For this reason, in accordance with Section 8.5, ASX Guidance Note 31, Novo Lítio cannot disclose production targets, forecast financial information or income-based valuations related to the Scoping Study, but instead discloses appropriate information of a technical nature to ensure the market is properly informed of the company's prospects. Novo Lítio instead makes aspirational statements, announces exploration targets and discloses parts of the study that do not contain production targets. The aspirational statements are based on the entity’s current expectations of future results or events and should not be solely relied upon by investors when making investment decisions. Further exploration and evaluation work and appropriate studies are required to establish sufficient confidence that this target will be met. This work is ongoing, as part of Phase 3 and 4 exploration programmes.

Novo Litio has a binding agreement to acquire 100% of the granted licence and licence applications held by Lusorecursos ARG and Lusorecursos LDA. Completion of the transfer of licences to Novo Litio remains pending and has been frustrated by the vendors. Novo Litio has sought unsuccessfully to resolve the issue on a commercial basis. The Company considers it has binding and enforceable legal rights and is pursuing the matter on an expedited basis in the Courts of Portugal (refer to the Company’s ASX announcement released on 28 July 2017 entitled “Commencement of Legal Proceedings re Sepeda” for further details).

The Scoping Study is based on the material assumptions outlined below. These include assumptions about the availability of funding. While Novo Lítio considers all of the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the Scoping Study will be achieved. To achieve the range of outcomes indicated in the Scoping Study, funding in the order of US$85-250 million will likely be required, depending on which development scenario is pursued. Investors should note that there is no certainty that Novo Lítio will be able to raise that amount of funding when needed. It is also possible that such funding may only be available on terms that may be dilutive to or otherwise affect the value of Novo Lítio’s existing shares. It is also possible that Novo Lítio could pursue other ‘value realisation’ strategies such as a sale, partial sale or joint venture of the project. If it does, this could materially reduce Novo Lítio proportionate ownership of the project. Given the uncertainties involved, investors should not make any investment decisions based solely on the results of the Scoping Study.

Highlights:

- **Positive Scoping Study at Novo Lítio's Sepeda Lithium Project ("Sepeda")**
- **Scoping Study tested a number of processing scenarios based on plant designs by Hatch Ltd, including: to produce a technical grade petalite concentrate only; a dual-stream, concentrate and battery-grade lithium carbonate; and a lithium carbonate product only**
- **Study finds that the mineral concentrate production scenario is highly favourable with the current Mineral Resource size; the capital expenditure required to build a lithium carbonate plant indicates that the definition of a larger Resource is required to make this scenario economically feasible**
- **Golder Associates mining engineering study shows potential for underground mining operation**
- **Resource update in CY Q4 2017, with extensions to the current known areas of mineralisation, will further complement future works**
- **Recent acquisition of granted tenure around Sepeda provides numerous targets for potential resource increases**

NOVO LÍTIO LTD ("Novo Lítio", "NLI" or "the Company") (ASX: NLI, FRANKFURT: ORM), is pleased to announce the positive conclusion of its Scoping Study at the Sepeda Lithium Project, Portugal.

The Scoping Study was prepared by the Company and is based on the Sepeda Mineral Resource Estimate (MRE) prepared by Mr. Paul Blackney, Principal with Optiro Pty Ltd (Optiro) and dated 15 February 2017 (refer to ASX announcement dated 20/02/17 for more information). Optiro prepared an open pit optimisation assessment, Golder Associates (Golder) prepared an underground optimisation study, and Optiro completed an economic analysis of the project. HATCH reviewed the initial metallurgical testwork carried out on the property by Dorfner-ANZAPLAN (ANZAPLAN) and generated a preliminary process design. A range of development scenarios were tested in the study, including various combinations of lithium carbonate and petalite concentrate production, and both open-pit and underground mining scenarios. The study found that the mineral concentrate production scenario is highly favourable with the current Resource size; the study also shows that the capital expenditure required to build a lithium carbonate plant means that the discovery and definition of a larger Mineral Resource is required to make this scenario economically feasible. The preferred mining method is long-hole open stoping, which allows the Company to mine the Sepeda pegmatite very efficiently and competitively, whilst producing minimal environmental impact.

Novo Lítio CEO David Frances commented: *"We are very pleased to bring our Scoping Study over the Sepeda Lithium Project to a successful conclusion. Having examined both open pit and underground mining scenarios, we believe that the geometry of the Sepeda pegmatite lends itself well to underground mining techniques such as long-hole open stoping, which can be conducted extremely cost effectively in Portugal. The scenario of building a mineral concentrate plant, to produce an ultra-low impurity technical grade lithium concentrate, has been shown to be favourable. We have determined that a larger Mineral Resource will be needed to justify the capital expenditure for a hydrometallurgical plant required for the production of lithium carbonate/hydroxide. We will thus proceed on the basis that a mineral concentrate plant is currently the most optimal option, whilst pursuing Mineral Resource growth to achieve our goal of becoming a lithium carbonate/hydroxide producer. A Mineral Resource update scheduled for Q4 2017 should go some way towards achieving this target, and the recent acquisition of a large* *parcel of granted tenure now provides numerous targets for other potential resource increases. We look forward to keeping the market updated as our works at Sepeda progress."*

SUMMARY

SEPEDA SCOPING STUDY SUMMARY

The objective of the Scoping Study was to evaluate the economic potential for producing a petalite concentrate and/or lithium carbonate from the Sepeda Project. This Scoping Study is based on MRE for lithium contained in the Sepeda Lithium Deposit prepared by Mr. Paul Blackney with Optiro Pty Ltd dated 17 February 2017. The total Romano Mineral Resource comprises an Inferred Mineral Resource of 10.3 Mt at 1.0% Li_2O (refer to ASX announcement dated 20/02/17 for more information). The mine design, dimensions, sequencing, and ancillary systems stated in this report reflect the conceptual level of the study and have not been optimised.

Novo Lítio's metallurgical testwork programs have demonstrated the following:

- A petalite concentrate assaying over 4% Li_2O can be produced which, because of its low impurity levels, is potentially an excellent feed material to the specialised glass/ceramics industries.
- There is the potential for the production of a feldspar concentrate which has applications in a number of ceramic applications as well as a filler in paints and other products
- The petalite concentrate can be used as a feed source to produce battery-grade lithium carbonate
- There is also the potential for tin credits
- Battery grade 99.97% Li_2CO_3 produced from Sepeda petalite during metallurgical test work at Dorfner-Anzaplan in Germany

Results of the Scoping Study indicate that whilst both open pit and underground are both viable mining methods, Novo Lítio is of the opinion that social and environmental concerns could make underground mining the preferred mining method at this stage. The underground mining assessment by Golder has concluded that longhole stope mining (LHS) can be readily performed at Sepeda with traditional longhole methods and ramp access, and based on current assumptions for each mining method analysis, it appears that LHS mining has the potential to produce more value than Sub Level Caving or Cut and Fill (CAF) mining methods. However, the option of a small starter open pit followed by underground mining should also be investigated during future studies.

Whilst the Scoping Study demonstrates that based on the current assumptions the Sepeda deposit can be developed into an economically viable mining and processing operation to produce a petalite concentrate, and testwork has demonstrated that a lithium carbonate feedstock for the lithium ion battery and energy storage industries can be produced, it is important to note that the preliminary project process definition for the Sepeda Lithium Project is conceptual and has been based on a generalised flow sheet.

The petalite concentrate-only scenario is currently the most economically viable option. However, the economics of the lithium carbonate plant could potentially become a viable option with a larger Mineral Resource base and a higher production rate. Therefore, the carbonate plant concept should be re-assessed during future studies. In addition, an assessment of the feasibility of producing a tin concentrate and a feldspar concentrate from run-of-mine ore is recommended as this may aid in improving the Project's economics. In Novo Lítio's opinion, it has a reasonable basis to advance the Sepeda Project to PFS based on the current resource classifications and mining assumptions.

INTRODUCTION

The objective of the Scoping Study is to indicate the economic potential for producing a petalite concentrate suitable for the ceramics market, and a battery-grade lithium carbonate from the Sepeda Lithium Deposit (Sepeda, the Deposit or the Project). Whilst the deposit has been evaluated and mined historically for tin, it has not previously been evaluated for lithium, and as such it represents a new pegmatite-hosted lithium discovery in Northern Portugal.

This Scoping Study is based on the Sepeda Mineral Resource Estimate (MRE) prepared by Mr. Paul Blackney, Principal with Optiro Pty Ltd (Optiro) and dated 15 February 2017 (refer to ASX announcement dated 20/02/17 for more information) (Table 1.1). As discussed in the relevant subsequent sections of this report, Optiro has prepared an open pit optimisation assessment, Golder Associates (Golder) has prepared an underground optimisation study, and Optiro has completed an economic analysis of the project. HATCH has reviewed the initial metallurgical testwork carried out on the property by Dorfner-ANZAPLAN (ANZAPLAN) and generated a preliminary process design. Capital and operating cost estimates are based on a combination of inhouse databases and sourced information.

Table 1.1 Mineral Resource report for Romano deposit, February 2017

Resource category	Pegmatite domain	Volume (Mbcm)	Tonnes (Mt)	Li_2O (%)	Sn (%)	Ta_2O_5 (ppm)
Inferred	2	0.2	0.6	0.7	0.04	29
	3	0.1	0.3	0.6	0.04	32
	5	3.6	9.2	1.0	0.05	28
	7	0.1	0.1	0.9	0.04	32
	8	0.1	0.2	0.8	0.02	23
	Total	4.1	10.3	1.0	0.05	28

The Sepeda Project, which is located in northern Portugal approximately 150 km north east of Porto, consists of one granted Exploration Licence (MNPP04612). Novo Lítio is in the process of submitting a Mining Licence application[1] over Exploration Licence MNPP04612 with a view to proposing to build a concentrator plant, and potentially a hydrometallurgical processing plant within the Project area. Present indications are that mining, beneficiation, and hydrometallurgical processing will take place "on-site" at Sepeda, and petalite concentrate and/or lithium carbonate will be transported by truck to the Porto de Leixões in Porto.

There are no known environmental liabilities associated with the Project.

GEOLOGICAL SETTING AND MINERALISATION

The Sepeda lithium deposit belongs to the petalite sub-type of the complex type of rare metal pegmatites and is located adjacent to the Barroso-Alvão Pegmatite Field in Northern Portugal, in the Variscan belt, in the western

[1] Pending the outcome of current legal proceedings

part of the Iberian Peninsula. The Barroso-Alvão Pegmatite Field contains rare-element aplitic Lithium-Caesium-Tantalum (LCT) pegmatites with significant Li, Sn, Nb, Ta, Rb, and P enrichment.

Pegmatites at Sepeda are host to lithium, tin, and tungsten mineralisation. Analysis has determined that the Sepeda Project deposit has shown the lithium mineral petalite to be the dominant lithium mineralisation type, with some minor spodumene.

DRILLING

Novo Lítio completed two drilling campaigns (Phase I and Phase II) in 2016 with an additional two drilling campaigns (Phase III and Phase IV). The total number of completed holes at the time of writing was 117 for a cumulative total of 19,163 m.

MINERAL PROCESSING AND METALLURGICAL TESTING

ANZAPLAN in Germany have undertaken testwork analysis on a 212kg bulk sample to determine the processing parameters for producing potential high value downstream lithium products from Sepeda rock. Results indicate that the Sepeda pegmatite is amenable to producing a premium, low iron petalite concentrate product for the ceramics industry, and a 99.5% pure lithium carbonate (refer to ASX announcements dated 24/04/17 and 29/05/17 for more information).

MINERAL RESERVE ESTIMATES

Mineral reserves estimates have not been undertaken for the Sepeda Lithium Project and are not presented herein.

MINING METHODS

OPEN PIT MINING STUDIES

Optiro undertook pit optimisation calculations for the Scoping Study using the February 2017 Mineral Resource model generated by Optiro.

Pit optimisation was undertaken on the assumption that the mining will be a conventional, drill and blast, load and haul open pit and that the ROM Ore (containing Li_2O) will be upgraded to an approximate 4% Li_2O concentrate by way of a beneficiation process utilising grinding, media separation and floatation. The concentrate would then undergo hydrometallurgical processes to produce 99.5% Li_2CO_3. The assumed overall recovery of lithium oxide in this process is 75%. All iterations were based on a single processing method targeting Li_2CO_3 as the final product.

Several scenarios were assessed as part of the pit optimisation study. These included running the pit optimisation using all material regardless of oxidation state (i.e. oxide, transitional and fresh), and to decrease the size of the pit footprint and consider a scenario with a smaller starter pit followed by underground mining, pit optimisation was run limited to oxide and transitional material.

UNDERGROUND MINING STUDIES

Golder Associates (Golder) undertook an underground mining methods assessment to advance one mining method forward for conceptual level mine design and scheduling. Golder completed a review of potential mining methods based on the February 2017 MRE, available geotechnical data, ore body geometry and cost estimates.

Golder deemed sub-level longhole stoping, sub-level caving, and cut and fill methods as the most appropriate underground mining methods to assess. The results of the underground mining method analysis indicated sub-level stoping as the most appropriate mining method for the Sepeda deposit. This analysis considered preliminary operating costs, deposit geometry, and geotechnical parameters. Sub-level stoping would also have minimal mining surface impact, whereas sub-level caving would create a subsidence zone.

Sub-level longhole stoping with cemented backfill was taken to a conceptual level of mine design and schedule (Figure 1).

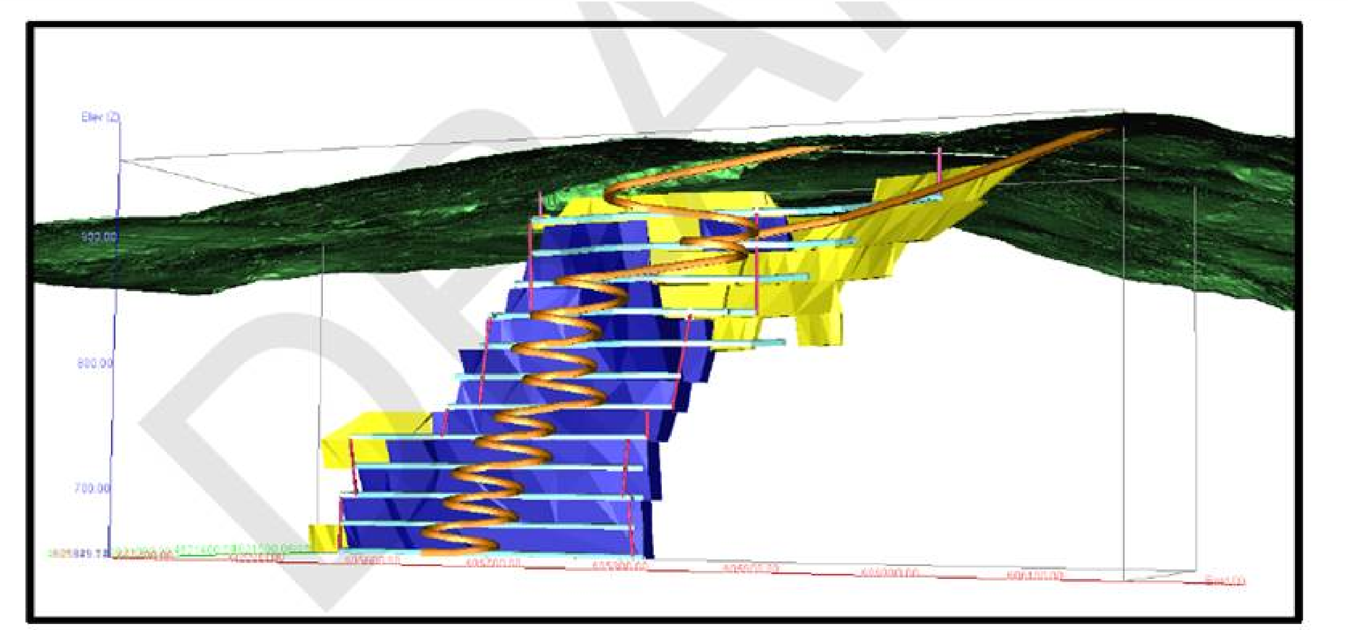

Figure 1: Conceptual underground design from Golder study

Processing

The petalite recovery process for the Sepeda Lithium Project Scoping Study metallurgical process was developed by HATCH in Australia based on initial testwork carried out by ANZAPLAN. The process selected for the Scoping Study comprises the mineral separation and recovery of a petalite concentrate containing > 4% Li_2O and less than 0.04% Fe (Stage 1) and a lithium carbonate processing facility to produce 99.5% by weight of lithium carbonate (Stage 2).

The Scoping Study is based on a two stage process design; Stage 1 includes the processing of mineralised pegmatite material through a concentrator located at the mine site to produce >4% Li_2O petalite concentrate, which will be transported by road to the Port of Leixões in Porto for export, Stage 2 includes the processing of mineralised pegmatite material through a concentrator located at the mine site, which will feed into a lithium conversion plant to produce 99.5% lithium carbonate, which will be transported by road to the Port of Leixões in Porto for export.

At this stage limited testwork has been undertaken and as such, HATCH consider the process design to be preliminary and conceptual at this stage (Figure 2).

The conceptual processing design has been based on the following broad assumptions:

- 75% lithium processing recovery in the Concentrator Plant
- 85% recovery in the Lithium Chemical Plant.
- The project site is flat, structurally stable, and readily accessible.
- Adequate electrical power supply is readily available proximal to site. No infrastructure to deliver electrical power to the site has been allowed for.

- Adequate water supplies are available to support the project requirements. No infrastructure to deliver water to the site has been allowed for.
- Adequate natural gas supply is available in the vicinity of the site. No infrastructure to supply water to the site has been allowed for.
- Adequate labour can be sourced proximal to the project site for the plant construction and operation. No accommodation camp facility has been allowed for.

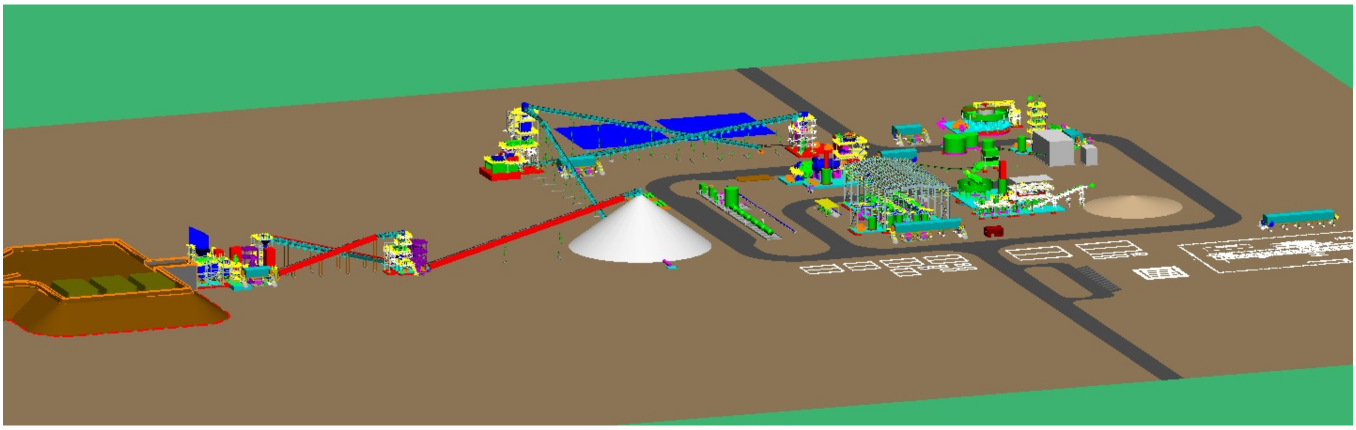

Figure 2: 3D images of conceptual plant design, showing concentrator and hydrometallurgical plant

Market Studies and Contracts

Lithium

Whilst new supply for hard-rock and, to a lesser extent, brine sources, is coming on stream, most analysts predict a shortfall over the next 5-10 years, which is expected to keep prices relatively strong. Novo Lítio is forecasting demand of 5-600,000 tpa lithium carbonate equivalent (LCE) by 2025, up from around 200,000 in 2017. It is expected, based on preliminary discussions with potential offtakers, that Novo Lítio would be able to sell both a low-impurity petalite concentrate, and a lithium carbonate, into this market.

There is a well-established market for lithium mineral concentrates (spodumene and petalite) in specialty glass and ceramics, and a high growth market for the production of lithium chemicals (lithium hydroxide and lithium carbonate) used in re-chargeable batteries. Whilst historically petalite has been mined for the glass-ceramic industry, petalite can also be processed to produce chemical grade lithium carbonate/hydroxide products for the rapidly-growing battery market, via conventional processing techniques used with spodumene, as demonstrated by the test work undertaken by Anzaplan for the Scoping Study.

Petalite and Spodumene are marketed as a "cheap" mineral source of Li_2O, generally priced at 70-80% of Li_2CO_3 equivalent. Accordingly, if Li_2CO_3 (40% Li_2O) is US$10,000 per tonne (cif), then Petalite (4% Li2O, 0.04% Fe_2O_3 max) is sold at US$700-800 per tonne – delivered – noting that storage and transport can be significant. Novo Lítio expects prices to remain between $9,000 and $12,500 for lithium carbonate until 2022.

Contracts

No offtake contracts had been signed at the time of writing, however discussions have been initiated with various parties for the sale of both petalite concentrate and lithium carbonate/hydroxide.

Capital and Operating Costs

As 100% of the Mineral Resources at Sepeda are currently in the Inferred category, in accordance with Section 8.5, ASX Guidance Note 31, the Company is not able to publish a Production Target or forecast financial information at this time.

Economic Analysis

Novo Lítio commissioned Optiro Pty Ltd to undertake a financial modelling exercise for the Sepeda Lithium Project, based on a number of different processing scenarios and mining methods. Since 100% of the Mineral Resources at Sepeda are currently in the Inferred category, in accordance with Section 8.5, ASX Guidance Note 31, the Company is not able to publish a Production Target or forecast financial information at this time.

Exploration Potential

Since the completion of the first two phases of drilling which comprised the maiden Resource estimate, Novo Lítio has conducted further exploration and infill drilling at Sepeda as part of its phase three and four drilling programmes. This has identified significant extensions to the current known extent of mineralisation, and growth to the current Resource is expected in the next update.

Novo Lítio is also continuing with mapping and sampling other pegmatites within the Carvalhais swarm, in order to generate further drill targets within the Sepeda licence.

In addition, NLI has a number of other exploration licence applications in the area which it will seek to explore for further lithium resources on grant. It is understood that these applications will go to a tender process, due to overlapping claims.

Forward Work Plan

The next phase of work will focus on further evaluation and refinement of the Project and consideration of the exploration upside potential identified, conversion of existing Resources into higher categories of confidence and ongoing definition of the scale of the Project.

Aspects of the Project that are to be covered include:

- A Resource update, determination of the mineable resource and potential ore reserve declaration;
- Additional metallurgical test work to identify specific process equipment best suited to the Project;
- Detailed studies and refinement of mine design basis;
- Detailed process plant and infrastructure evaluation, sizing, engineering and costing;
- Overall capital and operating cost refinement.

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.

Portugal

Portugal, as the leading lithium producer in Europe[2], 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 and a scoping study now completed.

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[3] of up to 0.788% Li, equivalent to 1.69% Li_2O, related to spodumene-bearing pegmatite mineralisation over a large area[4]. 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.
- Nine lithium-ion "megafactories" across Europe are either already producing, under construction or planned for development, including Nissan[5], Samsung[6], BMZ[7], Daimler-Mercedes[8], Tesla[9], Audi[10] and LG Chem[11].
- 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.

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[2] USGS Mineral Commodity Summaries, 2016

[3] Report no. S85-06. LKAB Exploration Reports, available from Geological Survey of Sweden. Uppföljande prospektering i området mellen Näsåker och Örnsköldsvik, Västernorrlands län, 1985

[4] Report no. S85-28. LKAB Exploration Reports, available from Geological Survey of Sweden. Rare element pegmatites in Västernorrland, Sweden. 1985

[5] http://europe.autonews.com/article/20160121/ANE/160129975/nissan-will-produce-leafs-new-advanced-batteries-in-uk

[6] http://www.samsungsdi.com/sdi-news/1482.html, https://cleantechnica.com/2015/05/25/samsung-sdi-begun-operations-former-magna-steyr-battery-pack-plant/

[7] http://www.electronics-eetimes.com/news/european-battery-gigafactory-opens-1/page/0/1

[8] http://media.daimler.com/deeplink?cci=2734603

[9] https://electrek.co/2016/11/08/tesla-location-gigafactory-2-europe-2017-both-batteries-and-cars/

[10] http://europe.autonews.com/article/20160120/ANE/160129994/-audi-will-build-electric-suv-in-belgium-shift-a1-output-to-spain

[11] http://www.lgchem.com/global/lg-chem-company/information-center/press-release/news-detail-783

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

-END-

Appendix 1: Complete Drilling Results, Sepeda Lithium Project (used in MRE from Feb 2017 incorporated into this Scoping Study)

HOLE ID	HOLE TYPE	TOT DEPTH M	EAST WGS84 29N	NORTH WGS84 29N	RL M	AZI WGS84 29N	DIP	CONCESSION	TOTAL LOGGED DOWNHOLE PEGMATITE WIDTH	SIGNIFICANT INTECEPTS
SC001	RC	135	605822	4621438	975	197	-55	MNPP04612	45 m	31m @ 1.21% Li2O from 46m, 2m @ 1.28% Li2O from 101m
SC002	RC	159	605750	4621472	970	197	-58	MNPP04612	66 m	16m @ 1.48% Li2O from 60m, 41m @ 1.16% Li2O from 92m
SC003	RC	141	605667	4621476	960	197	-61	MNPP04612	51 m	28m @ 1.47% Li2O from 69m
SC004	RC	111	605577	4621457	950	197	-65	MNPP04612	42 m	8m @ 1.06% Li2O from 63m, 3m @ 0.87% Li2O from 93m
SC005	RC	50	605877	4620942	924	139.5	-85	MNPP04612	5 m	NSI
SC006	RC	48	605927	4620994	932	159	-75	MNPP04612	2 m	NSI
SC007	RC	150	605968	4620676	900	214.5	-60	MNPP04612	7 m	NSI
SC008	RC	114	605969	4620808	918	214.5	-61	MNPP04612	17 m	9m @ 1.29% Li2O from 52m
SC009	RC	64	606030	4620757	910	214.5	-81	MNPP04612	4 m	NSI
SC010	RC	93	605894	4620718	909	213.5	-60	MNPP04612	2 m	NSI
SC011	RC	84	605881	4620826	915	214.5	-62	MNPP04612	2 m	NSI
SC012	RC	60	606315	4620226	890	34.5	-51	MNPP04612	37 m	2m @ 0.46% Li2O from 25m and 4m @ 0.48% Li2O from 35m
SC013	RC	48	606281	4620246	890	214.5	-71	MNPP04612	19 m	NSI
SC014	RC	90	606253	4620273	891	214.5	-61	MNPP04612	18 m	NSI
SC015	RC	150	605915	4621458	978	194.5	-59	MNPP04612	26 m	7m @ 1.52% Li2O from 88m
SC016	RC	219	605679	4621513	962	194.5	-70	MNPP04612	87 m	74m @ 1.59% Li2O from 116m
SC017	RC	231	605590	4621501	952	194	-69	MNPP04612	80 m	9m @ 1.44% Li2Ofrom 131m, 4m @ 1.73% Li2O from 151m, 11m @ 1% Li2O from 162m, 4m @ 1.23% Li2O from 177m
SC018	RC	143	605985	4621414	970	194.5	-63	MNPP04612	40 m	7m @ 0.34% Li2O from 13m
SC019	RC	231	605766	4621518	974	197	-60	MNPP04612	56 m	12m @ 1.14% Li2O from 97m, 14m @ 1.01% Li2O from 139m, 6m @ 0.63% Li2O from 170m, 9m @ 0.69% Li2O from 183m
SC020	RC	195	605839	4621486	979	197	-63	MNPP04612	37 m	16m @ 1.15% Li2O from 80m, 10m @ 1.43% Li2O from 106m
SC021	RC	252	605681	4621527	962	194.5	-80	MNPP04612	57 m	51m @ 1.26% Li2O from 163m
SC022	RC	300	605772	4621535	975	197	-74	MNPP04612	63 m	8m @ 1.15% Li2O from 87m, 28m @ 1.25% Li2O from 166m, 6m @ 0.82% Li2O from 219m
SC023	RC	252	605856	4621534	982	197	-64	MNPP04612	35 m	7m @ 1.28% Li2O from 105m, 4m @ 1.32% Li2O from 192m
SC024	RC	273	605599	4621539	951	197	-74	MNPP04612	93 m	16m @ 1.25% Li2O from 163m, 61m @ 1.52% Li2O from 195m
SC025	RC	279	605556	4621586	942	202	-63	MNPP04612	40 m	16m @ 1.38% Li2O from 249m
SC026	RC	240	605931	4621507	982	197	-62	MNPP04612	35 m	8m @ 1.41% Li2O from 179m, 3m @ 1.03% Li2O from 197m
SC027	RC	231	606000	4621463	973	197	-63	MNPP04612	34 m	1m @ 0.575% Li2O from 113m

HOLE ID	HOLE TYPE	TOT DEPTH M	EAST WGS84 29N	NORTH WGS84 29N	RL M	AZI WGS84 29N	DIP	CONCESSION	TOTAL LOGGED DOWNHOLE PEGMATITE WIDTH	SIGNIFICANT INTECEPTS
SC028	RC	198	605512	4621518	941	197	-65	MNPP04612	32 m	NSI
SC029	RC	240	605488	4621463	933	197	-63	MNPP04612	36 m	8m @ 0.88% Li2O from 132m
SC030	RC	81	605900	4621416	973	197	-56	MNPP04612	18 m	NSI
SC031	RC	92	605975	4621385	968	197	-55	MNPP04612	41 m	26m @ 1.25% Li2O from 15m
SC032	RC	106	606053	4621378	961	197	-60	MNPP04612	23 m	NSI
SC033	RC	120	605552	4621416	941	137	-60	MNPP04612	26 m	NSI
SC034	RC	90	605497	4621402	928	137	-60	MNPP04612	46 m	1m @ 0.78% Li2O from 58m
SC035	RC	111	605493	4621400	928	197	-60	MNPP04612	19 m	NSI
SC036	RC	75	606114	4621316	953	197	-60	MNPP04612	30 m	NSI
SC037	RC	69	606076	4621437	960	197	-60	MNPP04612	1 m	NSI
SC038	RC	93	605932	4620830	919	217	-60	MNPP04612	12 m	NSI
SC039	RC	78	606008	4620792	915	217	-65	MNPP04612	23 m	2m @ 0.97% Li2O from 45m
SC040	RC	111	605990	4620834	919	217	-64	MNPP04612	22 m	NSI
SC041	RC	84	605562	4622060	980	237	-60	MNPP04612	10 m	NSI
SC042	RC	201	605399	4621471	931	187	-75	MNPP04612	21 m	1m @ 0.94% Li2O from 186m
SC043	RC	150	605397	4621457	930	187	-55	MNPP04612	25 m	10m @ 1.12% Li2O from 108m
SC044	RC	162	605775	4621544	975	357	-89	MNPP04612	0 m	NSI
SC045	RC	210	605348	4621527	934	197	-60	MNPP04612	19 m	1m @ 0.513% Li2O from 159m
SC046	RC	117	605333	4621473	926	197	-54	MNPP04612	33 m	5m @ 0.67% Li2O from 81m, 10m @ 0.79% Li2O from 99m
SC047	RC	90	606163	4620417	889	217	-60	MNPP04612	0 m	NSI
SC048	RC	99	606111	4620479	889	217	-59	MNPP04612	10 m	NSI
SC049	RC	69	606162	4620191	883	357	-90	MNPP04612	3 m	NSI
SDD001	DD	158.3	605750	4621472	969	197	-58	MNPP04612	23 m	3.64m @ 1.09% Li2O from 73.09m, 34.68m @ 1.28% Li2O from 97.32m
SDD002	DD	123.9	605668	4621479	958	197	-61	MNPP04612	27 m	38.53m @ 1.43% Li2O from 73m

Complete phase one and two drilling and logging to date from Sepeda, showing significant intercepts using 0.4% Li_2O cut with no more than 2m internal dilution. Phase two holes are from Hole ID SC019 onwards. NSI = No significant intercepts.

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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.*	For the MRE used in this study, NLI drilled 49 Reverse Circulation (RC) holes for 6,989m, and two diamond drill (DD) holes for 282 m in two phases. 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.
	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. 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 ten elements including Li_2O and Sn. All diamond holes were PQ. Holes were geologically logged, measured and marked up and cut on site. Quarter-core samples were submitted to NAGROM laboratory in Perth and analysed using ICP techniques for a suite of ten 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.).*	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 completed two PQ diamond holes for 282 metres in 2016. The diamond drill holes were drilled predominantly for grade verification and metallurgical purposes and are twins of RC holes. Core was orientated but orientations failed in the majority of cases. Downhole surveying was conducted using a Reflex Gyro system.
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 both PQ 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

Criteria	JORC Code explanation	Commentary
		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 core was logged and cut according to geological boundaries, but generally at 1m intervals. Geological logging information was recorded directly onto hard-copy sheets, and later transferred to an Excel spread sheet. The PQ 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.
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.
	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 rockchip 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 3kg) 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 ten-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. 815 samples from phase one were sent to Nagrom Laboratories in total, including 32 field replicates, 34 standards, 34 blanks and 33 laboratory duplicates. A further 1,609 samples were sent from phase two drilling, which included 82 blanks, 86 standards, 73 field duplicates and 84 laboratory duplicates of which all samples have now been reported, representing a QAQC insertion rate of approximately 18%. Results were within two standard deviations for Li_2O.

Criteria	JORC Code explanation	Commentary
		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. Further, more accurate twinned holes will be carried out in future programmes, and the use of whole-core sampling will be tested.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Hard copy field logs are 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. Diamond core drilled was photographed on site and then sent to the 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.
	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.*	Drill spacing between holes is generally between 40 and 60m on section, and generally 80m between sections, depending on site accessibility.
	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.
	Whether sample compositing has been applied.	Diamond drill samples averaged 0.95m in length and ranged from 0.45m to 1.13m in length and were composited to 1m as part of the resource estimation process. 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 60 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.

Criteria	JORC Code explanation	Commentary
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. No audits or reviews of sampling techniques have been carried out, due to the early stage nature of the project.

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 LusiNovo Lítio 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 Novo Lítio'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. Novo Lítio 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 two 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 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.
	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 method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock	All meaningful and material exploration data has been reported.

	characteristics; potential deleterious or contaminating substances.	
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	Further drill target definition is under way. Phase three and four drilling have now also been completed, which will be used in a Mineral Resource update later in the year. Metallurigical testwork is under way at Outotec in Finland.

SECTION 3: ESTIMATION AND REPORTING OF MINERAL RESOURCES

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.	Geological logging and sampling took place on-site with hard copy data capture entered into Excel files by site geologists and checked by the supervising geologist before plotting and in 2D sectional view. The collar and assay data were reviewed by compiling the database in Excel, and importing into various three-dimensional modelling packages. Some minor sample interval discrepancies were identified and corrected.
	Data validation procedures used.	Optiro conducted data validation checks as part of the drillhole desurveying process such as: •missing assays and collars •below detection limit values •overlapping and duplicated sample intervals •comparison of assay and geology depths against collar end of hole depths. All issues found were resolved prior to commencing statistical analysis.
Site visits	*Comment on any site visits undertaken by the Competent Person and the outcome of those visits.*	A site visit was not carried out by Optiro.
	If no site visits have been undertaken indicate why this is the case.	All on-site geological works were undertaken or supervised by an independent consultant to NLI, Iain Groves of Insight Geology Pty Ltd. Mr Groves has visited the sites numerous times and was onsite during the majority of field activities.
Geological interpretation	*Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.*	The geological interpretation of the lithium hosting pegmatites is based on surface mapping and sectional drilling on nominal 80 m spaced cross sections. Observable patterns in the data provide moderate confidence in the broader geological model although it is apparent that additional complexity will be revealed as more detailed data is acquired and that the connectivity of locally interpreted pegmatite structures may require some modification. The current data provides moderate confidence that the main mineralised zone is hosted by a plunging structure which is open at depth.
	Nature of the data used and of any assumptions made.	The pegmatite lithology domains were modelled using LeapFrog Geo3D software based on geological logging of pegmatite in RC and core samples combined with geological mapping of outcropping pegmatites and exposure provided by shallow historical open pit mining for tin. Mineralisation domains are constrained within the pegmatite interpretation. Mineralisation boundaries were determined using categorical indicator kriging methods based on an indicator grade of 0.3% Li_2O. Un-sampled drillhole intervals are assumed to be barren waste and were assigned lithium, tantalum, tin and iron values of 0.001.

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Criteria	JORC Code explanation	Commentary
		Oxidation boundaries were interpreted from the geological logging of RC and core samples. These oxidation boundaries were used to control the density factors applied within the pegmatites but played no role during grade estimation.
	The effect, if any, of alternative interpretations on Mineral Resource estimation.	No alternative interpretations have been considered.
	The use of geology in guiding and controlling Mineral Resource estimation.	The interpreted geometry of the layered pegmatite complex revealed by the data collected to date is the primary control for the Mineral Resource estimation process. Due to the interpreted folding of the layered pegmatites, all mineralisation and grade estimation was conducted in an unfolded plane using projection methods.
	The factors affecting continuity both of grade and geology.	The structure of the pegmatite exhibits various degrees of complexity and this is a primary control on both geological and grade variability. The pegmatite geometry exhibits a consistent steeply dipping tabular form, however, between section variation is high at the current section spacing. Mineralisation exhibits similar variability.
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 Sepeda Mineral Resource comprises five pegmatite units. The central unit hosts the majority of the mineralisation and is defined over a strike length that exceeds 400 m with thickness that varies between 10 m to 50 m. The plunging structure hosting the majority of the mineralisation extends from surface (approx. 970 mRL) to a depth in excess of 300 m below surface and remains open down plunge.
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.*	Lithium and tin grades were estimated used ordinary kriging (OK) in Datamine RM software using a projection method to unfold the pegmatite geometry. Drillholes are on sections spaced at approximately 80 m. In-section drill spacing is variable, ranging from 100 to 25m, but typically 50 m or closer. Drillhole sample data was flagged into five pegmatite layers using three-dimensional lithology wireframes. Sample data was composited to a one metre downhole length using a best fit-method. Top-cuts were applied prior to block grade estimation although the sensitivity to top-cutting was very low. Categorical indicator methods were employed within the pegmatite interpretation to discriminate internal schist remnants and un-mineralised pegmatite areas from mineralised pegmatite. A 0.3% Li_2O grade was used to delineate these categories. Variography analysis of the composite data was used to support categorical and grade estimation within the pegmatite. The categorical indicator variography supported the plunging mineralisation continuity, however the definition of mineralisation grade continuity was poor. This led to the adoption of a single continuity model for all pegmatite layers that assumed grade continuity of 80 m within the layers and 8 m across the layers for the estimation of all grade variables. Each pegmatite layer was treated as a separate unit during grade estimation and the boundary between mineralised and unmineralised pegmatite was treated as a hard boundary. The same continuity model was applied for the estimation of grade in mineralised and un-mineralised domains. Other estimation parameters, such as block size, and minimum and maximum sample numbers were based on experience as the absence of data defined grade continuity did not support the application of KNA methods.
	The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.	This is the Maiden Mineral Resource estimate for Sepeda. All prior mining activity in this area is historical and minor in its extent.

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	The assumptions made regarding recovery of by-products.	No assumptions have been made regarding recovery of by-products. Tin and tantalum were estimated to support the process of evaluating their potential contribution to the project
	Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).	Iron is considered as a potential deleterious element that may impact product marketability, if it cannot be easily separated through conventional methods from the lithium minerals. Iron grades were estimated as Fe_2O_3 grade and averaged 1.5% Fe_2O_3. Consistent with other, similar pegmatite deposits, a certain degree of iron contamination is expected from wear on drill bits and rods in the drilling process and to account for additional iron introduced during the pulverisation of samples using steel bowls during the sample preparation stage. Due to insufficient data, a contamination factor has not been applied to the estimated Fe_2O_3 grade. An interim metallurgical report on material from Sepeda by Anzaplan in Germany indicated a petalite concentrate produced by flotation, with iron values of 0.04% Fe_2O_3, consistent with the industry standard for technical grade petalite. This indicates that significant quantities of iron are not present within the petalite crystal lattice, and therefore do not represent a deleterious element.
	In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.	The Sepeda block model was created with parent block dimensions of 20 mE by 4 mN by 20 mRL. Block sub-celling was allowed down to a minimum block size of 1 mE by 4 mN by 1 mRL to represent domain boundaries. Grade estimation used a three-pass search. The primary search radii were based on the variogram model range (80 m by 8 m by 80 m). The same search conditions were used for all domains. Minimum (10) and maximum (30) informing sample numbers remained constant between the primary, secondary and tertiary searches. The primary search radii were doubled for the secondary search and multiplied by eight for the tertiary search. The maximum number of samples that could be utilised from a single drillhole was limited to 4. One minor mineralised domain did not have enough drillholes to satisfy this search strategy, which resulted in the assignment of average drillhole grades. Approximately 37% of the mineralised tonnage was estimated by the primary search. A further 46% was estimated by the secondary search.
	Any assumptions behind modelling of selective mining units.	No selective mining units were assumed in this estimate.
	Any assumptions about correlation between variables.	No assumptions about correlation have been made.
	Description of how the geological interpretation was used to control the resource estimates.	The mineralised pegmatite boundaries formed a hard boundary for grade estimation. Grades were not estimated outside the pegmatite lithology interpreted limits. The pegmatite geometry was projected onto a vertical plane based on the centre line of each pegmatite layer, which were treated as independent units for grade estimation. The oxidation interpretation was used to control the allocation of density factors to the pegmatite. A paucity of data led to a single (fresh rock) density factor being applied to the surrounding schistose country rock although this has no impact on the resource reporting.
	Discussion of basis for using or not using grade cutting or capping.	Top-cut analysis of lithium, tin, tantalum, and iron was undertaken by viewing log probability plots and by identifying values at which the population distributions started to become discontinuous. Top-cuts were employed to reduce the influence of minor high-grade outliers that could affect the quality of the Mineral Resource estimate. The mineralised and un-mineralised grade populations exhibited low variability and the top-cuts applied had only a minor impact on the estimated grade outcome.

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	The process of validation, the checking process used, the comparison of model data to drillhole data, and use of reconciliation data if available.	Estimated block grades were compared to the input drill data on a domain basis using visual appraisal, domain average grade comparisons and grade swath plots in the three grid axis directions. Reasonable outcomes were obtained. Visual validation of grade trends and distributions was carried out. No reconciliation data is available.
Moisture	*Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	The tonnages are estimated on a dry basis.
Cut-off parameters	*The basis of the adopted cut-off grade(s) or quality parameters applied*	No cut-off grades or quality parameters have been applied. The reported Mineral Resource estimate is derived from the mineralised portion of the pegmatite only
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.*	No mining assumptions have been made for this maiden Mineral Resource estimate. The geometry of the mineralisation presents opportunities for exploitation by both open pit or underground mining methods. These options will be assessed by future analysis.
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 testing of material from Sepeda was under way at Anzaplan in Germany at the time of the development of the resource model, the goal being to determine the viability of producing a technical grade concentrate, and subsequently a battery grade (99%) lithium carbonate product from Romano mineralisation. No complete results were available at the time of writing, but interim mineral liberation results were indicative of high recoveries of petalite (90%) at a 75-micron grind, in line with expectations. Iron is considered as a potential deleterious element that may impact product marketability if it cannot be easily separated through conventional methods from the lithium minerals. Iron grades were estimated as a Fe_2O_3 grade and averaged 1.5% Fe_2O_3. Consistent with other, similar pegmatite deposits, a certain degree of iron contamination is expected from wear on drill bits and rods in the drilling process and to account for additional iron introduced during the pulverisation of samples using steel bowls during the sample preparation stage. Due to insufficient data, a contamination factor has not been applied. An interim metallurgical report on material from Sepeda by Anzaplan in Germany indicated a petalite concentrate produced by flotation, with iron values of 0.04% Fe_2O_3, consistent with the industry standard for technical grade petalite. This indicates that significant quantities of iron are not present within the petalite crystal lattice, and therefore do not represent a deleterious element. Further flotation test-work is currently on-going and final results are not available at the date of this report. At this time the preliminary results suggest that petalite ore from Sepeda has the potential to provide a marketable concentrate to the technical or chemical lithium markets.
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*	No assumptions have been made and these will form part of future works.

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	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	
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.*	A total of 18 density measurements have been taken from core from a single diamond drillhole (SDD002). These were averaged within the lithological and oxidation domains and applied to the block model for tonnage estimation as follows. Dry densities assigned to the model are: **Rock Type** / **Density** Pegmatite (oxidised) / 2.18 (1) Pegmatite (transitional) / 2.47 (1) Pegmatite (fresh) / 2.55 (10) Schist (fresh) / 2.78 (3) The number in brackets represents the number of samples supporting the density factor.
	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,	Measurements were taken using the "Archimedes Principle" water displacement technique on diamond drill core from the Sepeda Project. Measurements were taken from whole PQ core.
	Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	Average density values were assigned relative to lithological and oxidation conditions within the pegmatite.
Classification	*The basis for the classification of the Mineral Resources into varying confidence categories*	The Mineral Resource classification at Sepeda is based on confidence in the geological and grade continuity that was determined from the surface mapping and existing drillhole data. The entire Sepeda Mineral Resource estimate is considered to be Inferred.
	Whether appropriate account has been taken of all relevant factors (i.e. 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).	The Mineral Resource classification process addresses all known contributing issues.
	Whether the result appropriately reflects the Competent Person's view of the deposit.	The Mineral Resource estimate appropriately reflects the view of the Competent Persons.
Audits or reviews	*The results of any audits or reviews of Mineral Resource estimates.*	This is a maiden Mineral Resource estimate. No audits have been undertaken on the 2017 Mineral Resource estimate at this stage apart from internal peer review.
	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 relative accuracy of the Mineral Resource estimate is reflected in the reporting of the Mineral Resource as per the guidelines of the JORC Code (2012 Edition). No attempt has been made to quantify relative accuracy and confidence at this stage of analysis.
	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	The statement relates to global estimates of tonnes and grade.

Criteria	JORC Code explanation	Commentary
	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	No production data is available.