16 November 2016

EUROPEAN LITHIUM VERIFIES ORIGINAL MINEREX DATA FOR USE IN JORC CODE (2012) COMPLIANT RESOURCE MODELLING

Highlights

- **Twin hole drilling and channel sampling programme completed in September 2016 verifies that Minerex data is not significantly different to results obtained by the Company**
- **Primary Minerex data, supported by the recent drilling and channel sampling, will now be used to finalise a resource model compliant to JORC Code (2012)**
- **Resource Upgrade imminent**

European Lithium Limited (ASX**: EUR**, FRA: PF8) (the **Company**) is pleased to report it has completed the verification of the original Minerex exploration data and will now use this data to finalise an upgrade of the resource model to JORC Code (2012) for its 100% owned advanced Wolfsberg Lithium Project near Wolfsberg, Austria.

To complete the verification the Company recovered and digitised the original Minerex data, it then applied a verification programme that incorporated:

- channel sampling along exposed pegmatite veins in the underground drifts to replicate the channel sampling conducted by Minerex on every new face after blasting to extend the tunnels along the strike of the veins; and
- Twin hole drilling from underground to compare the drill core logs from Minerex for 7 drill holes selected to maximise the number of pegmatite intersections.

The results of the channel sampling were reported to the ASX on 2 November 2016 and the results of the twin hole drilling were reported to the ASX on 7 November 2016.

The verification programme was managed by Technisches Büro für Geologie, Austria, culminating with the preparation of a comprehensive report "Technical Report on the Underground Drilling and Channel Sampling at Koralpe Lithium Deposit for Minerex Data Verification, 4 November 2016" for review by the independent QP.

Both the channel sampling and twin hole drilling confirmed that the data sets from Minerex and that from the verification programme were not significantly different. The primary Minerex data can be accepted for use in a resource model that can be considered compliant to JORC Code (2012).

Steve Kesler, CEO, commented "We always knew that the quality of work performed by Minerex was of a very high standard. Unfortunately, with the passage of time, drill core and key data went missing. The geological team in Austria has done a magnificent job in recovering most of the original data and putting it into a form that can be readily used for resource modelling. The Minerex data verification programme has proved the quality of the Minerex work and we can now finalise a JORC Code (2012) resource that will be the next key step at the Wolfsberg Lithium Project."

A full explanation of the process and discoveries is provided below.

Background

The Wolfsberg lithium deposit was originally discovered by the Austrian state owned company, Minerex, in 1981. An extensive exploration programme was carried out which included surface trenching, surface diamond drilling, underground mine development to study continuity of the lithium bearing pegmatite veins, underground diamond drilling to infill the drilling grid and channel sampling of the pegmatite veins exposed after every blast.

A resource was declared to the GDMB reporting standard of Austria at that time. Trial mining was undertaken and a pre-feasibility study was completed in 1987. At the time lithium demand and price did not justify proceeding with development of the project, further work was stopped and Minerex was closed.

Ownership of the project has passed through a number of entities and eventually acquired by ECM Lithium AT GmbH (**ECM**) which is 100% owned by the Company. A precursor company, Global Strategic Metals, declared a JORC Code (2004) compliant measured, indicated and inferred resource in 2012 which was derived from plans and geological sections inherited from Minerex. In its application for reinstatement on the ASX and capital raising the Company was required to prepare a prospectus and an Independent Geological Report on the Wolfsberg Lithium Project.

With the passage of time and changes of ownership of the project the drill core no longer exists and the Independent Geologist had no access to the original QA/QC protocols or primary Minerex information. To comply with the current JORC Code (2012) reporting requirements the previously declared JORC Code (2004) 'measured' resource was re-categorised to 'inferred' resource. Additionally, it is no longer permitted to declare resources on the basis of geological extrapolation as there must be sampling. The previously declared 'indicated' and 'inferred' resources were extrapolations and have now been re-categorised as 'exploration targets'. Hence the resource currently declared to the ASX is JORC Code (2012) compliant and is 3.7 million tonnes at 1.5% Li_2O at a 0.75% Li_2O cut-off. The 'Independent Geologists Report" contained within the 'Second Replacement Prospectus' of 28 July 2016 can be found on the Company website www.europeanlithium.com.

Data Recovery

It was discovered that following the closure of Minerex the company archive was transferred initially to the "Kärntner Landesarchiv" and finally to the "Montanbehörde" now BMFWF: the Federal Ministry of Science, Research and Economy in Vienna. All information was in paper form. Prof Richard Göd was the Minerex Chief Geologist, and is now adviser to the Company, and under his guidance the Ministry archive was searched to recover the Minerex material and, from a large amount of material, relevant documents and 294 files with 1.65GB size were scanned. Mine-IT Sanak-Oberndorfer GmbH, Austria are engaged to manage the Company's resource information having previously developed the resource model for the 2012 resource declaration. All recovered files have been catalogued into the project Microsoft Access database.

Primary information recovered included:

- Topography and mine maps including borehole collars for surface drill holes.
- Survey data
- Surface trenching data
- Drill hole data
- Drill hole core logs from raw sketches to final drawings
- Underground exploration geology from face mapping after every blast
- Geological section maps
- Analytical data and documents from the two laboratories used for analysis of drill hole samples and channel samples
- Minerex reports and summaries

Comparison of primary information with that previously extracted and utilised from the secondary maps and sections for the 2012 resource model showed good correspondence. All recovered primary data has been digitised into the database for resource modelling.

Data Verification Programme

In order to use this recovered data for preparation of a resource model compliant to JORC Code (2012) it needed to be verified. Together with the independent QP for the Company a comprehensive QA/QC protocol was developed for all future exploration work by the Company. A data verification programme was developed that incorporates:

- channel sampling along exposed pegmatite veins in the underground drifts to replicate the channel sampling conducted by Minerex on every new face after blasting to extend the tunnels along the strike of the veins.
- Twin hole drilling from underground to compare the drill core logs from Minerex for 7 drill holes selected to maximise the number of pegmatite intersections.

The results of the channel sampling were reported to the ASX on 2 November 2016 and the results of the twin hole drilling were reported to the ASX on 7 November 2016.

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Figure 1: SANDVIK DE130 drilling hole number P15-22

Figure 2: Example of photographed core box showing pegmatite intersection (light)

Figure 3: Using a diamond saw to cut channel samples perpendicular to the strike of the pegmatite vein

Figure 4: Channel sample on the gallery roof after cutting and ready for sample collection

Data Validation

Channel Sampling

The channel sampling was undertaken on three veins shown in Figure 5. The sampling of vein 7 was truncated because of access restrictions due to shotcrete support.

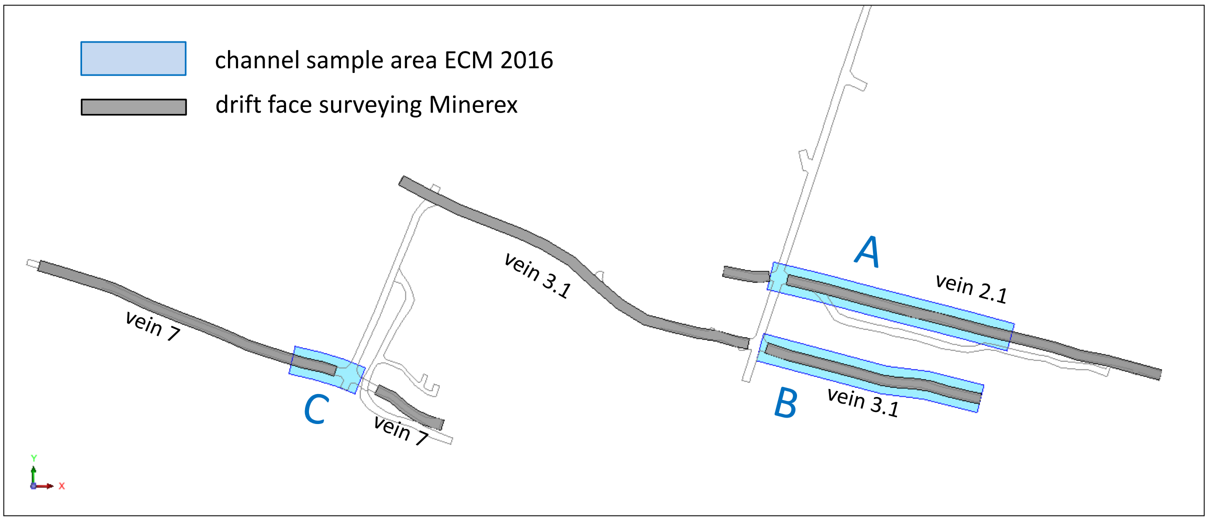
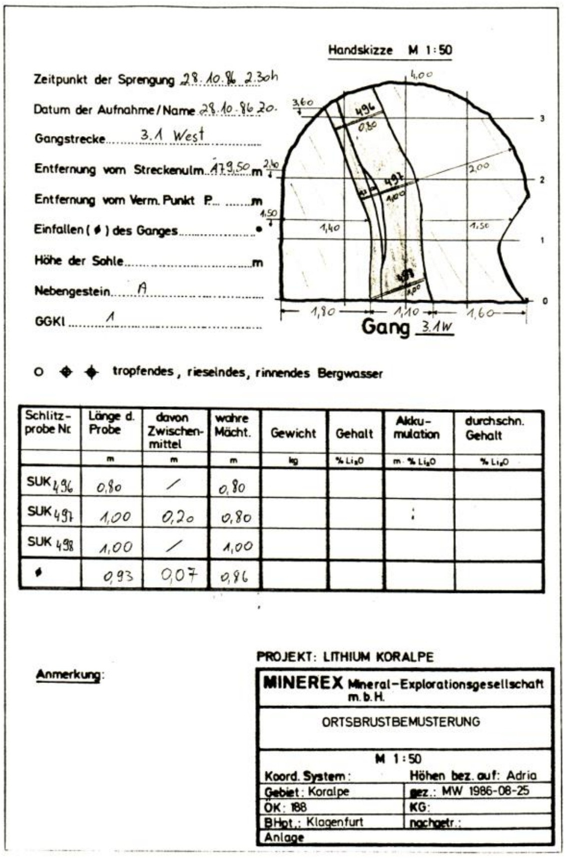


Figure 5: Location of the channel sampling programme

Minerex took channel samples after every blast of generally 3m for each face at the top, middle and bottom.



Handskizze M 1:50

Zeitpunkt der Sprengung 28.10.86 2.30h
Datum der Aufnahme/Name 28.10.86 20.
Gangstrecke 3.1 West
Entfernung vom Streckenulm 479,50 m
Entfernung vom Verm. Punkt P. ..... m
Einfallen (ф) des Ganges ..... °
Höhe der Sohle ..... m
Nebengestein A
GGKl 1

Gang 3.1W

○ ◆ ✦ tropfendes, rieselndes, rinnendes Bergwasser

Schlitz-probe Nr	Länge d. Probe	davon Zwischen-mittel	wahre Mächt.	Gewicht	Gehalt	Akku-mulation	durchschn. Gehalt
	m	m	m	kg	% Li_2O	m · % Li_2O	% Li_2O
SUK 496	0,80	/	0,80				
SUK 497	1,00	0,20	0,80				
SUK 498	1,00	/	1,00				
ф	0,93	0,07	0,86				

Anmerkung:

PROJEKT: LITHIUM KORALPE

MINEREX Mineral-Explorationsgesellschaft m.b.H.

ORTSBRUSTBEMUSTERUNG

M 1:50

Koord. System:	Höhen bez. auf: Adria
Gebiet: Koralpe	gez.: MW 1986-08-25
OK: 188	KG:
BHpt.: Klagenfurt	nachgetr.:
Anlage	

Figure 6: Example of a recovered Minerex recording of face mapping, channel sampling and photographic record

The Company took channel samples from the vein exposed in the roof of the tunnels. The Minerex data used for the comparison was restricted to the zone covered by the Company channel samples. The comparison on how well the data correspond spatially i.e. how grade changes along the veins are shown in the following figures where the Company sample is compared to the average of the three channel samples in each face taken by Minerex. The data for Vein 2.1 is shown in Figure 7 and for Vein 3.1 in Figure 8. For easier readability the course of the grade along the drift is smoothed by means of a moving average with a spread of 3 (i.e. for each sample the one before and after is included as well). This smoothed data is displayed as the solid line and individual results as the dotted lines. The limited data for Zone C, vein 7 precluded a similar visualisation for that vein.

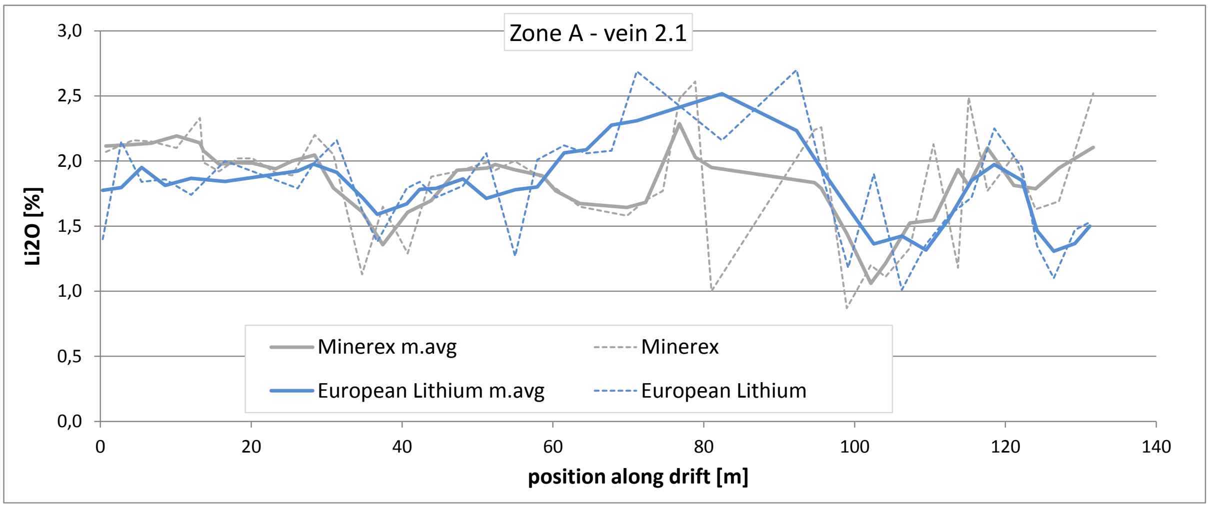


Figure 7: Comparison of the Minerex and Company campaign for the trend of the Li2O grade along the drift (Zone A, vein 2.1)

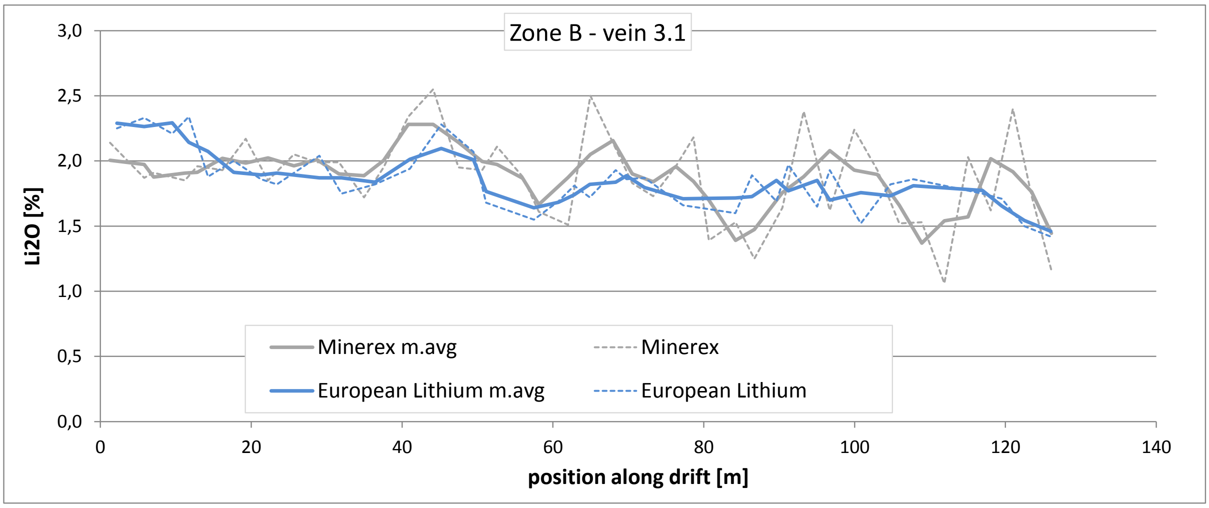


Figure 8: Comparison of the Minerex and Company campaign for the trend of the Li2O grade along the drift (Zone B, vein 3.1)

In general the data for both drifts from Minerex and the Company reveal a good congruency.

The data sets for each vein were analysed statistically by means of box plots in Figure 9. The median of each set is represented by the horizontal line inside the box. The notches around it describe the 95% confidence interval of the median. Note that if the notches of two data sets overlap then there is no difference in the medians from a statistical point of view. Dispersion and skewness are characterised with the 1st and 3rd quartile (upper and lower limits of the box). The whiskers include the lowest datum still within 1.5 interquartile range of the lower quartile, and the highest datum still within 1.5 interquartile of the upper quartile. Values out of this range, called outliers, are represented as circles if there are any.

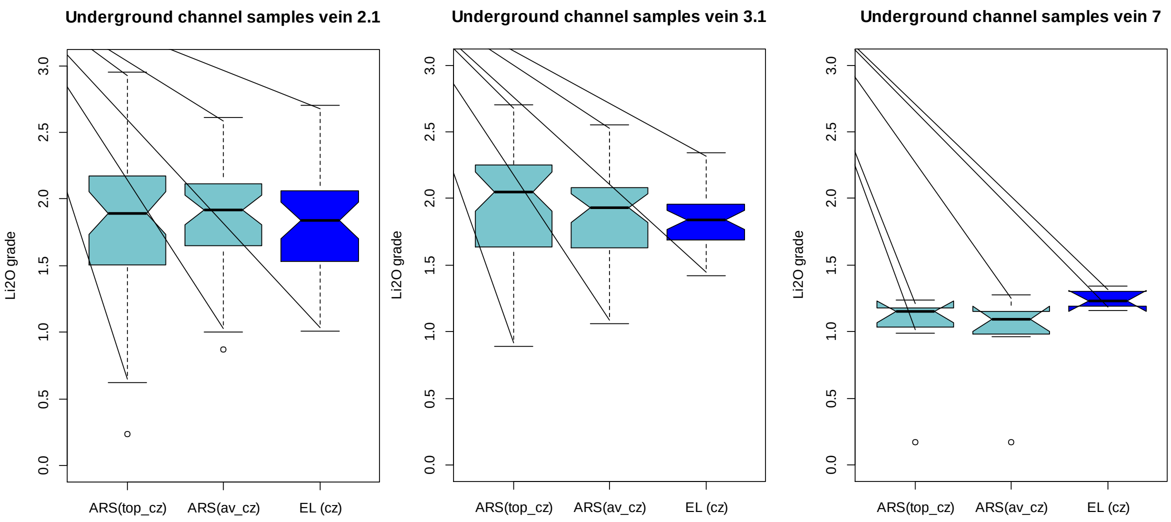


Figure 9: Summarising result of the comparison and verification investigation for all three veins

		Min	1st Q	Median	Mean	Sd	3st Q	Max	No. Samples
Vein 2.1	ARS	0,87	1,65	1,92	1,85	0,42	2,11	2,61	44
	EL	1,01	1,53	1,84	1,80	0,39	2,06	2,70	38
Vein 3.1	ARS	1,06	1,63	1,93	1,88	0,34	2,08	2,55	43
	EL	1,42	1,69	1,84	1,85	0,23	1,95	2,34	37
Vein 7	ARS	0,17	1	1,1	0,99	0,35	1,13	1,28	8
	EL	1,16	1,19	1,23	1,24	0,08	1,30	1,34	5

Kolmogorov-Smirnov test		ARS (av.)			ARS (top)		
		vein2.1	vein3.1	vein7	vein2.1	vein3.1	vein7
EL	vein2.1	**0,348**			**0,583**		
	vein3.1		**0,404**			0,017	
	vein7			0,042			**0,310**

Table 1: Summary of statistical key figures for the verification of channel samples. ARS is the Minerex data analysed by Arsenal and EL is Company data analysed by ALS

The notches for the average of the Minerex face channel samples and the Company roof channel samples for veins 2.1 and 3.1 overlap which indicate that there is no significant statistical difference between the median of the two sets of data. The data was also subjected to the Kolmogorov-Smirnov test which is used to determine whether there is a significant difference between the distributions of the two sets of data. If the result is small, generally less than 0.05, then the two sets of data are from different distributions. The high values for the comparison between the average Minerex face channel samples and the Company samples for veins 2.1 and 3.1 again indicate that there is no significant statistical difference between the two sets of data. There are too few data points for vein 7 for statistical analysis to be meaningful but there is no reason to consider that the sampling quality and reliability of Minerex for vein 7 would be any different to the other veins.

This comparison indicates that the results generated by Minerex and recovered in primary data form from archives match well with the recent Company channel sampling programme under comprehensive QA/QC protocols.

Twin hole drilling

Minerex assigned data on intersections from the drill holes to veins based on many geological considerations but the spatial location and correlation played a dominant role. The main outcome of the Minerex interpretation are the maps of the geological sections of which Figure 10 is an example.

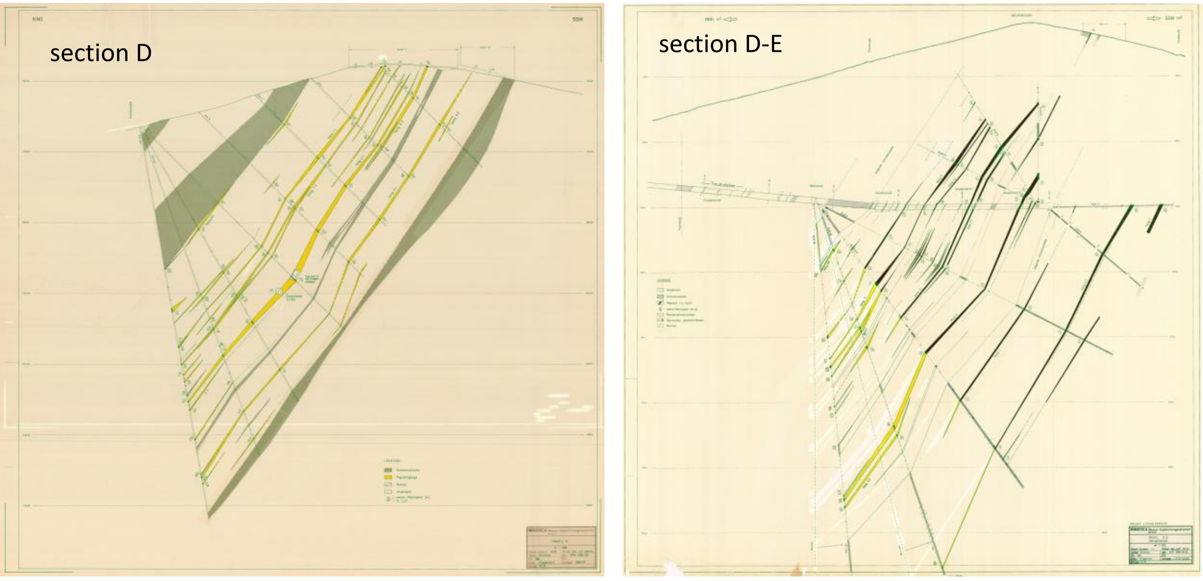


Figure 10: Examples of two geological sections by Minerex

Significant veins with width, grade and continuity were assigned numbers. Veins hosted in amphibolite (AHP) were numbered 0.0 to 3.2 and veins hosted in mica schist were numbered 4 to 8

In order to compare Minerex drill hole data in terms of pegmatite intersections, width and Li2O grade a programme of seven twin drill holes from underground was developed. Underground holes were selected as they give a high level of information with reasonable drill hole length. These are indicated in Figure 11.

The twin holes were designed to reflect the same geometry of the Minerex drill holes. This is shown in Table 2. One hole, P15-25, was truncated on budget grounds.

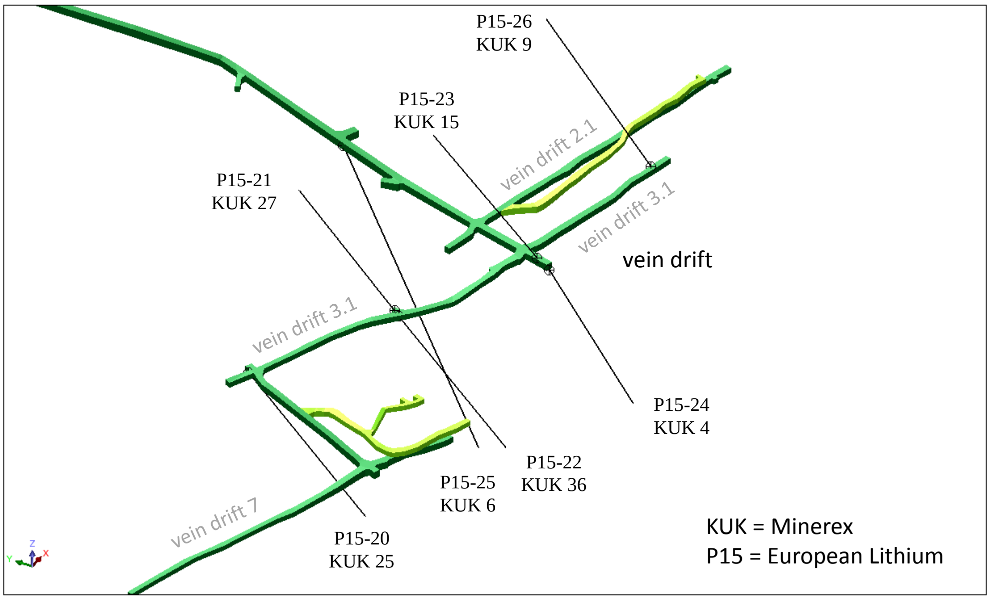


Figure 11: 3D view illustrating Minerex drill holes selected for the twin hole programme

Minerex drill holes			twin hole design 2015		
name	length	dip	name	length	dip
KUK-25	114,2	-28,8	P15-20	115,0	-28,8
KUK-27	96,0	30,0	P15-21	95,0	30,0
KUK-36	105,0	-28,0	P15-22	105,0	-28,0
KUK-15	100,0	27,0	P15-23	100,0	27,0
KUK-4	95,0	-40,5	P15-24	95,0	-40,5
KUK-6	269,0	-54,0	P15-25	198,0	-54,0
KUK-9	110,0	35,1	P15-26	110,0	35,1
total	889,2			818,0	

Table 2: Geometry of Minerex and the twin drill holes

The collar positions for the Minerex drill holes and the twin holes are shown in Table 3. For comparison the perpendicular distance between the drill hole axes is the most significant to reduce any geological effects. Shifts along the x-axis (drill hole direction) are of no relevance as they can be compensated by a corresponding correction. Two twin holes were located further than ideal (5 metres and 10 metres) but necessitated by practical considerations of drill rig positioning.

Minerex boreholes (by digitized position)				twin hole EL (surveyed, Skacel)				Distance		
name	x	y	z	name	x	y	z	abs	bh-dir	perp.
KUK 25	126.323,676	189.902,880	1.546,043	P15-20	126.323,870	189.893,870	1.546,110	9,01	7,34	5,24
KUK 27	126.419,319	189.854,614	1.549,259	P15-21	126.418,970	189.856,410	1.549,790	1,91	-1,65	0,95
KUK 36	126.418,168	189.851,060	1.546,794	P15-22	126.416,510	189.847,470	1.547,230	3,98	3,18	2,39
KUK 15	126.505,750	189.803,730	1.552,120	P15-23	126.505,970	189.805,250	1.552,430	1,57	-1,47	0,55
KUK 4	126.502,509	189.793,730	1.548,577	P15-24A	126.501,520	189.811,640	1.548,950	17,94	-14,67	10,32
KUK 6	126.565,000	189.961,000	1.553,000	P15-25	126.566,990	189.959,000	1.553,290	2,84	0,97	2,67
KUK 9	126.623,204	189.788,558	1.552,912	P15-26	126.621,590	189.789,340	1.552,870	1,79	-0,19	1,78

Table 3: Collar positions of Minerex drill holes and the twin holes

Each twin hole had downhole surveys which confirmed good straightness of the holes with average deflection of 7.2mm/metre.

In a first step the data sets (25 composites from Minerex and 24 composites from the twin holes) were compared on a global basis i.e no allowance for location of the sample occurrences. Box plots for lithium grade and intersection length are shown in Figure 12. The overlapping confidence interval around the median for both lithium grade and intersection length mean that there is high reliability that the medians are the same for both data sets.

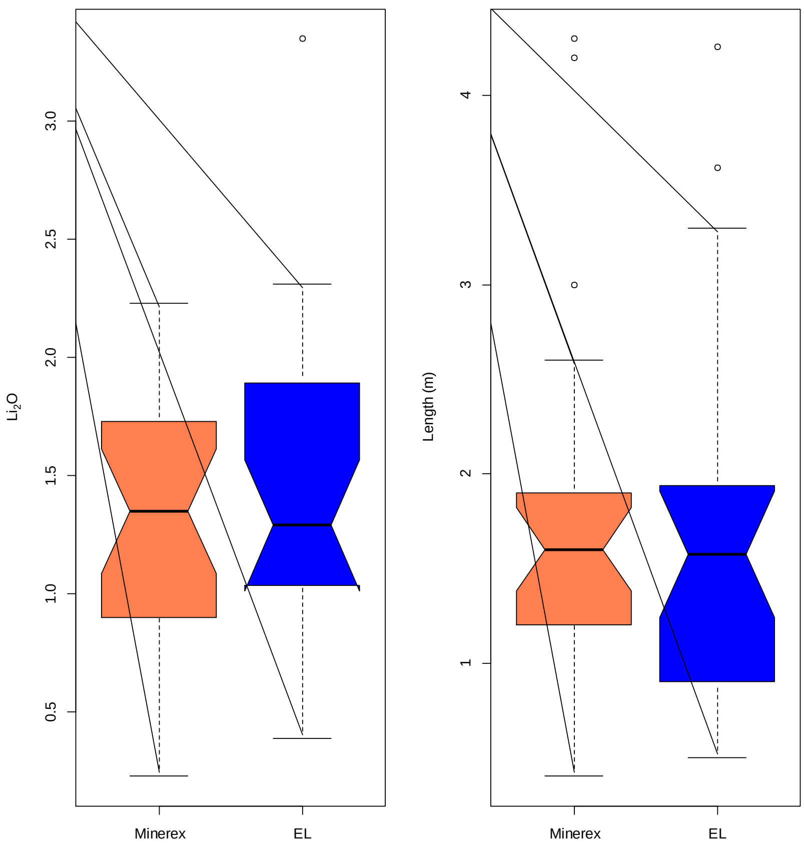


Figure 12: Comparison of lithium grade and length of the intersection composites for Minerex and twin hole data sets.

The comparison is supported by testing the equality of distribution using the Kolmogerov-Smirnov test which confirms that there is a high probability that both data sets are identical

KS-test		European Lithium	
		grade	length
Minerex	grade	0,881	
	length		0,841

Table 4: Equality test for grade and length of twin hole validation

Twin holes			Min	1st Q	Median	Mean	3st Q	Max	Sd	num
Li2o Grade	sample	Minerex	0,09	0,76	1,25	1,24	1,68	2,88	0,66	33
		EL	0,01	0,98	1,31	1,32	1,62	3,43	0,66	53
	composite	Minerex	0,23	0,90	1,35	1,34	1,73	2,23	0,59	25
		EL	0,39	1,06	1,29	1,39	1,89	3,35	0,59	24
Length	sample	Minerex	0,40	0,70	1,30	1,42	1,70	4,30	0,66	33
		EL	0,50	0,74	0,81	0,82	0,98	1,13	0,66	53
	composite	Minerex	0,40	1,20	1,60	1,72	1,90	4,30	0,95	25
		EL	0,50	0,95	1,58	1,68	1,93	4,26	0,95	24

Table 5: Compilation of statistical key figures for the twin hole validation

The most stringent comparison of the two data sets is to align the Minerex data for each drill hole to that of the twin holes after compensating for differences in collar position. The drill hole logs are positioned in 2D for easier readability.

The results are shown in Figure 13 which presents intersection length and lithium grade for each of the Minerex and twin holes and also indicates the vein assignment for significant intersections. The majority of alignments are fairly obvious.

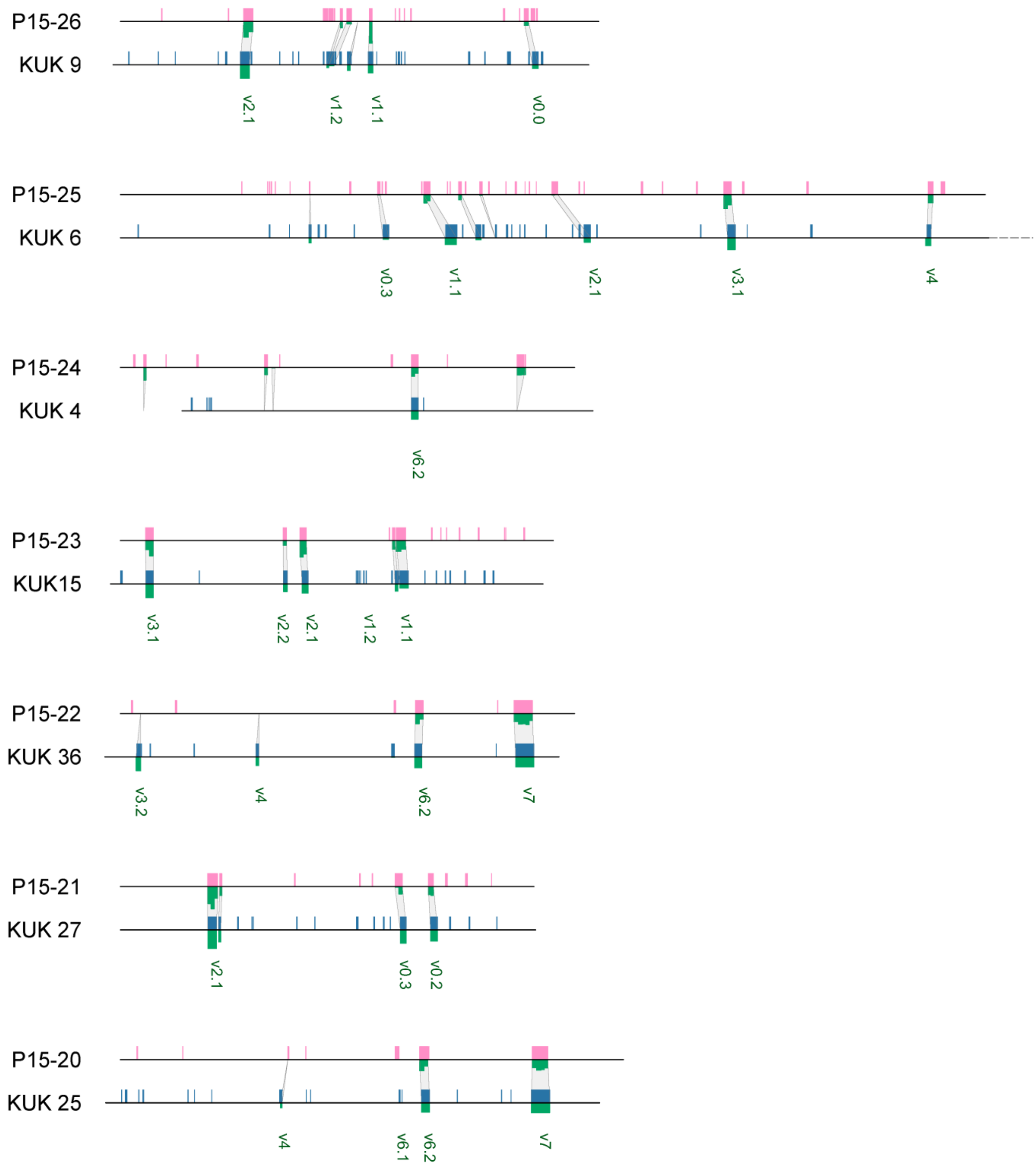
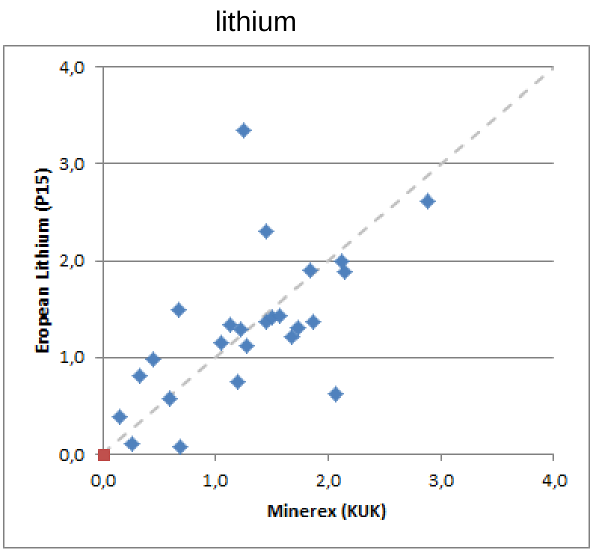


Figure 13: Paired alignment of Minerex (KUK) drill holes and twin holes (P15). Li2O grades in green, pegmatite intersections for Minerex in blue and twin holes in pink.

From the vein assignments there are 25 matched pairs of data. These are shown as scatter plots for Li2O grade and vein length in Figure 14. These show a generally good correlation but there is greater dispersion around the equivalence line for Li2O grade than for length. This is not unexpected as the channel sampling showed that there are significant short range variations in Li2O grade but less so for vein width.



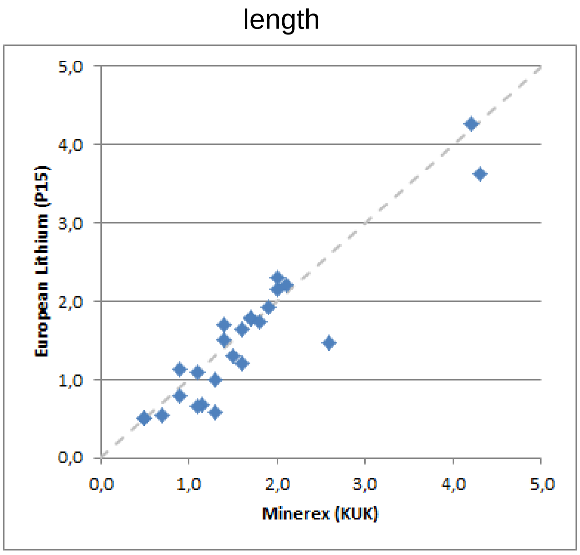


Figure 14: Comparison of lithium grade and length of aligned sections of drill hole twins (Minerex and European Lithium)

CONCLUSION

A large volume of original primary data from the Minerex exploration programme of the 1980's has been recovered and catelogued for use in a resource model based largely on primary data. There was a good match between this data and that digitised from secondary maps and geological sections for use in the 2012 JORC Code (2004) resource model.

As no original core or QA/QC protocols exists a data verification programme for the Minerex data was undertaken under comprehensive QA/QC protocols. Both the channel sampling and twin hole drilling confirmed that the data sets from Minerex and that from the verification programme were not significantly different. The primary Minerex data can be accepted for use in a resource model that can be considered compliant to JORC Code (2012).

Tony Sage
Non-Executive Chairman
European Lithium Limited

END

Visit the Company's website to find out more about the advanced Wolfsberg Lithium Project located in Austria.

Competent Person's Statement

The information in this announcement pertaining to the Wolfsberg Lithium Project, and to which this statement is attached, relates to Exploration Results, Mineral Resources or Ore Reserves and is based on and fairly represents information and supporting documentation provided by the Company and reviewed by Mr Don Haines, who is the independent Qualified Person to the Company and is a Member of the Association of Professional Geoscientists of Ontario with over 30 years' experience in the mining and resource exploration industry. Mr Haines has sufficient experience, as to qualify as a Competent Person as defined in the 2012 edition of the "Australian Code for Reporting of Mineral Resources and Ore reserves". Mr Haines consents to the inclusion in the report of the matters based on information in the form and context in which it appears. The company is reporting the historical exploration results under the 2012 edition of the Australasian Code for the Reporting of Results, Minerals Resources and Ore reserves (JORC code 2012).

JORC Code, 2012 Edition – Table 1 report

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Diamond drilling and channel sampling were used for underground material collection. European Lithium Limited completed 7 diamond drill holes totaling 829.6m. 89 channel samples were cut sampling 325m of exposed pegmatite veins. Channel sampling was with a twin bladed saw to cut a channel across the full width of the exposed pegmatite veins. The parallel cuts were 4.5cm apart with depth averaging 11cm. The material between the parallel cuts were chipped out onto plastic sheets and bagged. The average of the sample weights was 25kg. All collected samples were sent to ALS Ireland for sample preparation and analysis • Results for the channel and diamond drilling samples have been previously reported.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Underground drilled material has been collected using a Sandvik TE130 drill with 50 mm diamond coring bit and 3 m in length standard coring tube. The drill core was not orientated. All holes had down the hole surveys by Fugro GmbH.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Core recovery was measured for all runs and core boxes. Core recovery data has been recorded into "Core Recovery Paper Log" than later transferred into an excel spreadsheet template for import to the database. Average core recovery was 97.2 % with a range from 94.60% to 98.74% within the pegmatites.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or*	• Both, lithology and geotechnical logging was undertaken by logging geologists. • For lithology logging descriptions were done over the full length of drill core on paper "Lithology Logging Form", recording rock type, color, foliation and structural characteristics, mineralogy, core recovery and

JORC Code, 2012 Edition – Table 1 report

Criteria	JORC Code explanation	Commentary
	costean, channel, etc) photography. • *The total length and percentage of the relevant intersections logged.*	a graphic log representative of the lithology. Paper logs are later transferred to excel spreadsheets template for import to the database. • The geotechnical logging is undertaken on a domain run interval basis with breaks made at points where the rock mass characteristics change. Data were recorded into previously prepared Excel spreadsheet logging templates. Major structures are broken into individual domains and recorded in a separate logging sheet. • Individual photographs of each core box are taken. To ensure consistency of the scale, a photographing frame to shoot down the core boxes at a fixed height is used so that each box filled the complete frame without cutting off edges of core boxes.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Cutting of the core is performed at the core shed after logging and sample mark up. Drill core is cut in half along the core axis. The cutting operation is made by trained technicians and supervised by geologists. • Samples with visible mineralization (spodumene) are taken on the basis lithology and mineralogy and range from a minimum of 0.5m to a maximum of 1.0m thickness. • All remaining core after sampling is stored on metal racks in the Wolfsberg core shed. •
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• The QA/QC actions taken to provide adequate confidence in data collection and processing are discussed above. • All sample preparation and assays were undertaken by ALS (Ireland) • Sample preparation was using ALS procedure PREP31Y • Lithium analysis was using ALS procedure LIOG63 by four acid digestion and analysed by ICP • Standards and blanks were introduced every 20 samples (5% frequency). Acceptable levels of accuracy for standards and blanks were obtained.

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Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• An independent QP has verified the intersections • All the primary data was transferred into standardized excel spreadsheet templates and imported into an Access database • Li assays were converted to Li2O for reporting using a conversion of Li2O% = Li% * 2.153 • An electronic database containing collars, surveys, assays and geology is maintained by Mine-it, an independent Mining Information Management Consultancy in Leoben, Austria
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Site surveys were conducted by an external licensed Surveyor, using a total station instrument 1600 Leica with standard accuracies of +/-2mm per kilometre. All coordinates are tied into the state triangulation network and provided in the Austrian Gauss Kruger co-ordinate system.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Channel sampling along exposed veins were generally at 3m intervals. • Drill holes were selected as twin holes to validate original Minerex data • Pegmatite intersections in drill core were sampled and assayed in widths up to 1m. For veins exceeding 1m the samples up to 1m were prepared and assayed separately and the results later composited to represent the assay of the true width
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Channel samples were perpendicular to the pegmatite veins and across the full width. • Drill holes were perpendicular to the dip of the pegmatite veins • No sampling bias was introduced
Sample security	• *The measures taken to ensure sample security.*	• All drill core was placed in core boxes and labelled with drill hole number and core position. Drill core boxes were transferred to the secure Wolfsberg core shed and placed on racks. All work was under the supervision of company personnel. • Channel samples were placed in sample bags and labelled with unique sample number and transferred to the Wolfsberg core shed. • All samples for sample preparation and assay were loaded into a

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Criteria	JORC Code explanation	Commentary
		truck and driven to ALS (Ireland) for handover.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• An audit of the application of the QA/QC procedures was undertaken by the independent QP, Don Hains, on 25-28 August 2016. No deviations from procedure were found.

Section 2 Reporting of Exploration Results

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

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 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 100% owned subsidiary in Austria, ECM Lithium AT GmbH, has 54 exploration licences in the Wolfsberg project area valid to 31 December 2019 and renewable for additional 5 year terms following demonstration that exploration work has been undertaken on any one licence in the preceeding 5 year term. • ECM Lithium AT GmbH has 11 mining licences in the Wolfsberg project area. These are held in perpetuity as long as the terms of the mining licence are met. These licences obligate the Company to mine for at least 4 months per year but this requirement has been suspended by the Mining Authority until 31 December 2017 to allow technical studies to be undertaken • Land access is granted by the landowner who waived all rights to object to development of an underground mine on his land which is a commercial forest. ECM Lithium AT GmbH is obliged to pay the landowner compensation for use of forest roads and any emissions. This is documented in a waiver agreement dated 15 April 2011. A compensation rate of €2,000/month was agreed with the landowner in 2015 for this current work programme. There are certain matters in the agreement in dispute with the landowner and these have been referred to arbitration. Meanwhile a settlement agreement for the works until 30 June 2017 has been agreed with the landowner with compensation amounts of €2,000/month to be paid. • ECM Lithium AT GmbH is obliged to pay a royalty of €1.50/tonne of mineral sold from the licence area to Exchange Minerals Limited.

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Criteria	JORC Code explanation	Commentary
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The project was previously owned by the Austrian state company, Minerex, who conducted extensive exploration of the project area in 1981-1987. In total 9,940m3 of surface trenches, 12,012m of diamond drilling from surface, 4,715m of diamond drilling from underground and 1,389m of underground mine development were undertaken. Extensive mining studies to evaluate geotechnics and mining method as well as metallurgical studies to determine a process design. A pre-feasibility study was completed but the lithium price at that time did not support bringing the mine into production.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The spodumene bearing pegmatites occur in a regional anticline as unzoned veins. The pegmatite veins are intruded into amphibolites and mica schist host rocks strictly concordant with their foliation. On the northern limb of this anticline which is known as Zone 1, the strata uniformly strike WNW-ESE (average 120°) and dipping to the NNE at an average of 60°. • The amphibolite hosted pegmatites (AHP) lie stratigraphically in the hanging wall position relative to the mica schist hosted pegmatites (MHP) although they overlap. The AHP has greyish to greenish spodumene crystals aligned sub-parallel to the pegmatite contacts and average about 2-3cm in length reaching a maximum of 15cm. They are more or less homogeneously distributed in a fine-grained matrix of feldspar and quartz with flakes of muscovite. The MHP lack the typical features and textures of pegmatites having undergone a penetrative metamorphic overprint almost completely recrystallizing the original pegmatitic minerals. The spodumene minerals are in form of mm sized lenticular grains embedded in to very fine feldspar, quartz and muscovite matrix. • A comprehensive description of the geology and mineralization is provided in the 'Independent Geologists Report' contained within the 'Second Replacement Prospectus' of 28th July 2016 that can be found on the Company website www.europeanlithium.com •

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Criteria	JORC Code explanation	Commentary
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.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• All the drill collar, drilling, downhole survey and associated geochemical, and logging data was transferred to standardized excel spreadsheet templates for import to the Access database. •
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No cut-off grades were used. Pegmatite veins with a minimum width of 0.5m were sampled contact to contact and sample lengths up to 1m were taken and aggregated to provide a composite grade for the width of the intersection.
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 (eg 'down hole length, true width not known').*	• The drill holes were made perpendicular to the dip of the pegmatite veins and intersections are considered true widths.
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.*	• Included
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*	▪ All lithium results are reported

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Criteria	JORC Code explanation	Commentary
	Exploration Results.	
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• An almost complete body of original primary data from the Minerex exploration programme of the 1980's has been recovered from archives in Vienna. This has been scanned and digitized into the project database.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• The data obtained from the underground channel sampling and drilling has been used to verify the Minerex data from the 1980's and then that will be used to declare an upgraded resource. • This report summarises the results of the data verification programme • A surface diamond drilling programme will be undertaken to explore the extension of the pegmatite veins identified by Minerex with depth. Additionally a surface drilling programme will be undertaken to explore the continuation of the pegmatite veins to the southern side of the anticline as all the work by Minerex was on the northern side of the anticline.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• No resource estimate has been prepared as part of the current report. •
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	•
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource*	•

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Criteria	JORC Code explanation	Commentary
	estimation. • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	
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.*	•
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	•
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	

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Criteria	JORC Code explanation	Commentary
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.*	•
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.*	
Environmen-tal factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	•
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	•

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Criteria	JORC Code explanation	Commentary
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	•
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	•
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	•

Section 4 Estimation and Reporting of Ore Reserves

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	• *Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.* • *Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.*	• No ore reserve estimate has been prepared as part of the current report.

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Criteria	JORC Code explanation	Commentary
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	•
Study status	• *The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.* • *The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.*	•
Cut-off parameters	• *The basis of the cut-off grade(s) or quality parameters applied.*	•
Mining factors or assumptions	• *The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).* • *The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.* • *The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling.* • *The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).* • *The mining dilution factors used.* • *The mining recovery factors used.* • *Any minimum mining widths used.* • *The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.* • *The infrastructure requirements of the selected mining methods.*	•
Metallurgical factors or assumptions	• *The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.* • *Whether the metallurgical process is well-tested technology or novel in nature.* • *The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.*	•

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Criteria	JORC Code explanation	Commentary
	• *Any assumptions or allowances made for deleterious elements.* • *The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.* • *For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?*	
Environmen-tal	• *The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.*	•
Infrastructure	• *The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.*	•
Costs	• *The derivation of, or assumptions made, regarding projected capital costs in the study.* • *The methodology used to estimate operating costs.* • *Allowances made for the content of deleterious elements.* • *The source of exchange rates used in the study.* • *Derivation of transportation charges.* • *The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.* • *The allowances made for royalties payable, both Government and private.*	•
Revenue factors	• *The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.* • *The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.*	•
Market assessment	• *The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.* • *A customer and competitor analysis along with the identification of*	•

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Criteria	JORC Code explanation	Commentary
	likely market windows for the product. • *Price and volume forecasts and the basis for these forecasts.* • *For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.*	
Economic	• *The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.* • *NPV ranges and sensitivity to variations in the significant assumptions and inputs.*	•
Social	• *The status of agreements with key stakeholders and matters leading to social licence to operate.*	•
Other	• *To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:* • *Any identified material naturally occurring risks.* • *The status of material legal agreements and marketing arrangements.* • *The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.*	•
Classification	• *The basis for the classification of the Ore Reserves into varying confidence categories.* • *Whether the result appropriately reflects the Competent Person's view of the deposit.* • *The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).*	•
Audits or reviews	• *The results of any audits or reviews of Ore Reserve estimates.*	•
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve 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 reserve within stated confidence*	•

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Criteria	JORC Code explanation	Commentary
	limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate. • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.* • *It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	

Section 5 Estimation and Reporting of Diamonds and Other Gemstones

(Criteria listed in other relevant sections also apply to this section. Additional guidelines are available in the 'Guidelines for the Reporting of Diamond Exploration Results' issued by the Diamond Exploration Best Practices Committee established by the Canadian Institute of Mining, Metallurgy and Petroleum.)

Criteria	JORC Code explanation	Commentary
Indicator minerals	• *Reports of indicator minerals, such as chemically/physically distinctive garnet, ilmenite, chrome spinel and chrome diopside, should be prepared by a suitably qualified laboratory.*	• Not applicable
Source of diamonds	• *Details of the form, shape, size and colour of the diamonds and the nature of the source of diamonds (primary or secondary) including the rock type and geological environment.*	•
Sample collection	• *Type of sample, whether outcrop, boulders, drill core, reverse circulation drill cuttings, gravel, stream sediment or soil, and purpose (eg large diameter drilling to establish stones per unit of volume or bulk samples to establish stone size distribution).* • *Sample size, distribution and representivity.*	•
Sample treatment	• *Type of facility, treatment rate, and accreditation.* • *Sample size reduction. Bottom screen size, top screen size and re-*	•

JORC Code, 2012 Edition – Table 1 report

Criteria	JORC Code explanation	Commentary
	crush. • *Processes (dense media separation, grease, X-ray, hand-sorting, etc).* • *Process efficiency, tailings auditing and granulometry.* • *Laboratory used, type of process for micro diamonds and accreditation.*	
Carat	• *One fifth (0.2) of a gram (often defined as a metric carat or MC).*	•
Sample grade	• *Sample grade in this section of Table 1 is used in the context of carats per units of mass, area or volume.* • *The sample grade above the specified lower cut-off sieve size should be reported as carats per dry metric tonne and/or carats per 100 dry metric tonnes. For alluvial deposits, sample grades quoted in carats per square metre or carats per cubic metre are acceptable if accompanied by a volume to weight basis for calculation.* • *In addition to general requirements to assess volume and density there is a need to relate stone frequency (stones per cubic metre or tonne) to stone size (carats per stone) to derive sample grade (carats per tonne).*	•
Reporting of Exploration Results	• *Complete set of sieve data using a standard progression of sieve sizes per facies. Bulk sampling results, global sample grade per facies. Spatial structure analysis and grade distribution. Stone size and number distribution. Sample head feed and tailings particle granulometry.* • *Sample density determination.* • *Per cent concentrate and undersize per sample.* • *Sample grade with change in bottom cut-off screen size.* • *Adjustments made to size distribution for sample plant performance and performance on a commercial scale.* • *If appropriate or employed, geostatistical techniques applied to model stone size, distribution or frequency from size distribution of exploration diamond samples.* • *The weight of diamonds may only be omitted from the report when the diamonds are considered too small to be of commercial significance. This lower cut-off size should be stated.*	•
Grade estimation for	• *Description of the sample type and the spatial arrangement of drilling or sampling designed for grade estimation.*	•

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Criteria	JORC Code explanation	Commentary
reporting Mineral Resources and Ore Reserves	• *The sample crush size and its relationship to that achievable in a commercial treatment plant.* • *Total number of diamonds greater than the specified and reported lower cut-off sieve size.* • *Total weight of diamonds greater than the specified and reported lower cut-off sieve size.* • *The sample grade above the specified lower cut-off sieve size.*	
Value estimation	• *Valuations should not be reported for samples of diamonds processed using total liberation method, which is commonly used for processing exploration samples.* • *To the extent that such information is not deemed commercially sensitive, Public Reports should include:* ○ *diamonds quantities by appropriate screen size per facies or depth.* ○ *details of parcel valued.* ○ *number of stones, carats, lower size cut-off per facies or depth.* • *The average $/carat and $/tonne value at the selected bottom cut-off should be reported in US Dollars. The value per carat is of critical importance in demonstrating project value.* • *The basis for the price (eg dealer buying price, dealer selling price, etc).* • *An assessment of diamond breakage.*	•
Security and integrity	• *Accredited process audit.* • *Whether samples were sealed after excavation.* • *Valuer location, escort, delivery, cleaning losses, reconciliation with recorded sample carats and number of stones.* • *Core samples washed prior to treatment for micro diamonds.* • *Audit samples treated at alternative facility.* • *Results of tailings checks.* • *Recovery of tracer monitors used in sampling and treatment.* • *Geophysical (logged) density and particle density.* • *Cross validation of sample weights, wet and dry, with hole volume and density, moisture factor.*	•
Classification	• *In addition to general requirements to assess volume and density there is a need to relate stone frequency (stones per cubic metre or tonne) to stone size (carats per stone) to derive grade (carats per*	•

JORC Code, 2012 Edition – Table 1 report

Criteria	JORC Code explanation	Commentary
	tonne). The elements of uncertainty in these estimates should be considered, and classification developed accordingly.	