

ASX Release / 11 June 2026

# Phase 1 Re-assays Confirm Exceptional Scandium Grades at Grass Patch

Results identify a new scandium zone and 13km of untested strike beyond the current resource boundary

## Highlights

- **Phase 1 of the Scandium Reassay Program is now complete**, covering 3,271 historical RC/DDH pulp samples across the Grass Patch Complex.
- **Significant broad, near-surface scandium intercepts returned exceptional grades, well above the current Block 1 Resource average of 91.8 ppm Sc<sub>2</sub>O<sub>3</sub>, including:**
  - Drillhole MRAC1057: **18m @ 114.38 Sc<sub>2</sub>O<sub>3</sub>** ppm from 7m
  - Drillhole MRAC1060: **9m @ 152.89 Sc<sub>2</sub>O<sub>3</sub>** ppm from 9m
  - Drillhole MRAC1063: **10m @ 127.8 Sc<sub>2</sub>O<sub>3</sub>** ppm from 9m
  - Drillhole MRAC1065: **13m @ 137.61 Sc<sub>2</sub>O<sub>3</sub>** ppm from 6m
  - Drillhole MRAC1068: **20m @ 116.39 Sc<sub>2</sub>O<sub>3</sub>** ppm from 15m
- **New high-grade scandium zone identified approximately 13km southwest of the current Block 1 Resource**, demonstrating the broader scale of the mineralised system which remains completely untested.
- The distribution of these high-grade scandium intersections supports the **Company's view that the Grass Patch Complex hosts a much larger scandium mineralised system** than currently defined by the existing Mineral Resource Estimate.
- Highest grades located at the outermost southwestern extent of drilling; **mineralisation appears to intensify away from the known resource, and the system remains open along strike.**
- **Phase 1 results to be incorporated into the resource model immediately**; approximately **14,000 additional historical pulps available for re-assay** providing a capital-efficient pathway to further resource growth.

Mount Ridley Mines Ltd (ASX: **MRD**) ("**Mount Ridley**" or "**the Company**") is pleased to announce the completion of Phase 1 of its re-assay Program at the Grass Patch Project, located approximately 25 kilometres north of Esperance in Western Australia. The program involved the systematic re-assay of 3,271 historical air core (AC) drill pulp samples for scandium, targeting areas of the Grass Patch Complex not captured within the current JORC (2012) Mineral Resource Estimate.

Results from Phase 1 confirm significant scandium mineralisation outside of the established Block 1 and Block 2 Mineral Resource Estimates. Among these results, a cluster of holes at the southwestern margin of the Grass Patch Complex returned grades materially exceeding the current MRE average and reveals approximately 13 kilometres of untested strike between the current resource boundary and the confirmed southwestern mineralised cluster.

## Phase 1 Reassay Program Overview

The Re-assay Program was designed to extract additional value from the Mount Ridley Project's extensive historical drilling database, which comprises over 70,000 metres of AC and diamond drill holes (DDH). A significant portion of this historical database was drilled prior to scandium becoming a recognised critical mineral of commercial interest and as a result, a substantial number of samples were not assayed for scandium at the time of collection. Phase 1 targeted 3,271 of these historical pulps, prioritising samples from areas adjacent to and beyond the current resource boundary where geological conditions are considered favourable for scandium enrichment within the regolith profile.

The re-assay program represents a capital-efficient pathway to potential resource growth, leveraging existing drill core and pulp material to generate new geochemical data without the cost and lead time associated with additional field drilling. The Company holds an estimated 17,000 historical pulps suitable for scandium re-assay across the Grass Patch Complex, with 3,271 samples submitted as part of Phase 1 of the program. Remaining assay results from ALS will be announced to the market as they are received and reviewed by the Company.

The remaining approximately 14,000 pulps represent a substantial pipeline of low-cost resource definition work available for execution in subsequent phases. As data density increases across the deposit, the Company believes the re-assay program may support future resource growth and resource definition, subject to further technical evaluation and resource modelling.

## Phase 1 Results: Significant Mineralisation and Untested Strike Extension

Phase 1 results from the southwestern margin of the Grass Patch Complex confirm the presence of significant scandium mineralisation in an area previously uncharacterised for scandium. Standout intercepts include 18m at 114.38 ppm Sc<sub>2</sub>O<sub>3</sub> from 7m depth (MRAC1057), 9m at 152.89 ppm Sc<sub>2</sub>O<sub>3</sub> from 9m depth (MRAC1060), 10m at 127.8 ppm Sc<sub>2</sub>O<sub>3</sub> from 9m depth (MRAC1063), 13m at 137.61ppm Sc<sub>2</sub>O<sub>3</sub> from 6m depth (MRAC1065) and 20m at 116.39 ppm Sc<sub>2</sub>O<sub>3</sub> from 15m depth (MRAC1068). These results are materially above the average grade of 91.8 ppm Sc<sub>2</sub>O<sub>3</sub> reported for MRE Zone Block 1 and 86.9 ppm Sc<sub>2</sub>O<sub>3</sub> reported for MRE Zone Block 2 within the current JORC (2012) Inferred Mineral Resource.

**Table 1 - Significant Aircore drilling intersections from Mt Ridley**

| Hole Id         | From (m) | To (m) | Mineralised Intervals (m) | Sc ppm | Sc <sub>2</sub> O <sub>3</sub> ppm |
|-----------------|----------|--------|---------------------------|--------|------------------------------------|
| <b>MRAC1057</b> | 7        | 25     | 18                        | 73.38  | 114.38                             |
| <b>MRAC1060</b> | 9        | 18     | 9                         | 99.68  | 152.89                             |
| <b>MRAC1062</b> | 9        | 21     | 12                        | 69.76  | 107.0                              |
| <b>MRAC1063</b> | 9        | 19     | 10                        | 83.32  | 127.8                              |
| <b>MRAC1065</b> | 6        | 19     | 13                        | 89.72  | 137.61                             |
| <b>MRAC1066</b> | 9        | 18     | 9                         | 86.70  | 132.98                             |
| <b>MRAC1067</b> | 18       | 34     | 16                        | 54.70  | 83.9                               |
| <b>MRAC1068</b> | 15       | 35     | 20                        | 75.88  | 116.39                             |

Critically, the mineralised southwestern cluster lies approximately 13 kilometres from the southern boundary of MRE Zone Block 1, with this entire corridor remaining untested for heavy rare earths, scandium and gallium. The spatial distribution of the Phase 1 results is particularly encouraging: the highest-grade intercepts are concentrated at the southwestern end of the corridor, suggesting that mineralisation intensity does not diminish with distance from the known resource and may in fact strengthen to the south. This observation significantly enhances the exploration potential of the Grass Patch Complex, correlating with established walk-up drill targets identified in late 2025 and indicates that the current resource boundary substantially understates the full extent of the scandium-mineralised system. The Company considers the 13km untested strike corridor to be a high-priority target for future field programs, the timing and scope of which will be assessed following completion of the resource model update.

### Scandium: A Critical Mineral Under Supply Pressure

Scandium is classified as a critical mineral by Australia, the United States and the European Union, with global annual production estimated at only tens of tonnes of oxide equivalent and no meaningful production outside of China, Russia and limited byproduct sources. China's April 2025 decision to place scandium under mandatory export licensing, alongside six other heavy rare earth elements, has materially tightened supply availability to Western buyers and accelerated demand for non-Chinese sources.<sup>1</sup> The market impact has been significant: US-bound rare earth exports fell sharply in the months following the controls, with aerospace and semiconductor manufacturers reporting inventory stress and allocation constraints.<sup>2</sup> Demand for scandium is forecast to grow at a compound annual growth rate of approximately 14.5% through to 2031, driven by solid oxide fuel cells, aerospace aluminium-scandium alloys and additive manufacturing applications.<sup>3</sup> Against this backdrop, Mount Ridley's position as the holder of one of the largest scandium resources globally, located in a Tier 1 Australian jurisdiction and allied-nation friendly, is of growing strategic relevance.

### Mount Ridley Managing Director & CEO, Mr Allister Caird commented:

*"Phase 1 of our Scandium Reassay Program has confirmed what we suspected: the Grass Patch Complex extends well beyond what we currently have defined. The grades at the southwestern end are above our existing resource average and they sit at the far end of a 13-kilometre corridor that has not yet been touched by the drill bit. We will now work quickly to incorporate these results into the resource model and assess the most appropriate pathway to test the strike extension."*

### Next Steps

Phase 1 results will be immediately incorporated into the resource model, targeting an update and potential upgrade of the current JORC (2012) Inferred Mineral Resource at the Grass Patch Complex. Phase 2 of the Scandium Reassay Program is being scoped, prioritising coverage of the 13km untested strike corridor from the remaining approximately 14,000 unassayed historical pulps. The Company will provide a further update on both workstreams in due course.

<sup>1</sup> China US Focus, May 2025

<sup>2</sup> Rare Earth Exchanges, March 2026

<sup>3</sup> Mordor Intelligence, March 2026

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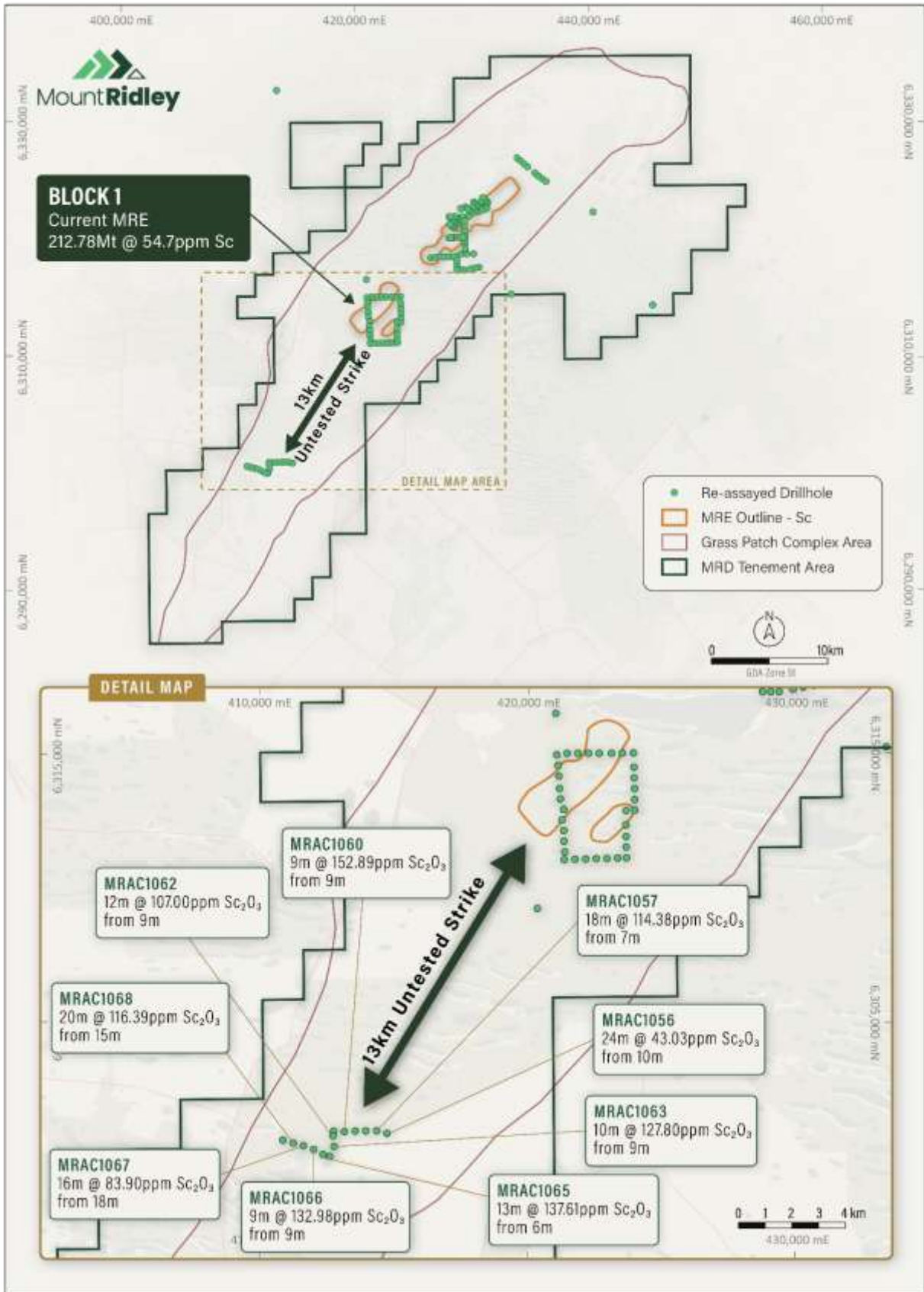


Figure 1 – Phase 1 Scandium Reassay Program results at the southwestern margin of the Grass Patch Complex, showing significant mineralisation and the approximately 13km of untested strike to MRE Zone Block 1.

This ASX announcement has been authorised for release by the Board of Mount Ridley Mines Ltd.

-ENDS-

For further information, please contact:

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Mount Ridley Mines Ltd

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### Competent Persons Statement

The information in this report / ASX release that relates to Exploration Results, Exploration Targets and Mineral Resources is based on information compiled and reviewed by Mr. Alfred Gillman, Director of independent consulting firm, Odessa Resource Pty Ltd. Mr. Gillman, a Fellow and Chartered Professional of the Australasian Institute of Mining and Metallurgy (the AusIMM) and has sufficient experience relevant to the styles of mineralisation under consideration and to the activity being reported to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Exploration Targets and Mineral Resources. Mr Gillman is a full-time employee of Odessa Resource Pty Ltd, who specialises in mineral resource estimation, evaluation, and exploration. Neither Mr Gillman nor Odessa Resource Pty Ltd holds any interest in Mount Ridley Mines, its related parties, or in any of the mineral properties that are the subject of this announcement. Mr Gillman consents to the inclusion in this report / ASX release of the matters based on information in the form and context in which it appears. Additionally, Mr Gillman confirms that the entity is not aware of any new information or data that materially affects the information contained in the ASX releases referred to in this report.

The information in this report that relates to Exploration Targets and Exploration Results is based on historical information compiled by Pedro Kastellorizos. Mr. Kastellorizos is the technical advisor of Mount Ridley Mines Ltd and is a Member of the AusIMM of whom have sufficient experience relevant to the styles of mineralisation under consideration and to the activity being reported to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Kastellorizos has verified the data disclosed in this release and consent to the inclusion in this release of the matters based on the information in the form and context in which it appears. Mr Kastellorizos has reviewed all relevant data for the aircore and diamond drilling program and reported the results accordingly.

### Forward Looking Statements

This announcement contains forward-looking statements that are subject to risks, uncertainties and assumptions. Forward-looking statements include, but are not limited to, statements regarding future exploration activities, resource growth potential, resource model updates, Mineral Resource Estimate upgrades, development opportunities, metallurgical outcomes, market conditions, commodity demand, project economics and the timing and outcome of future work programs.

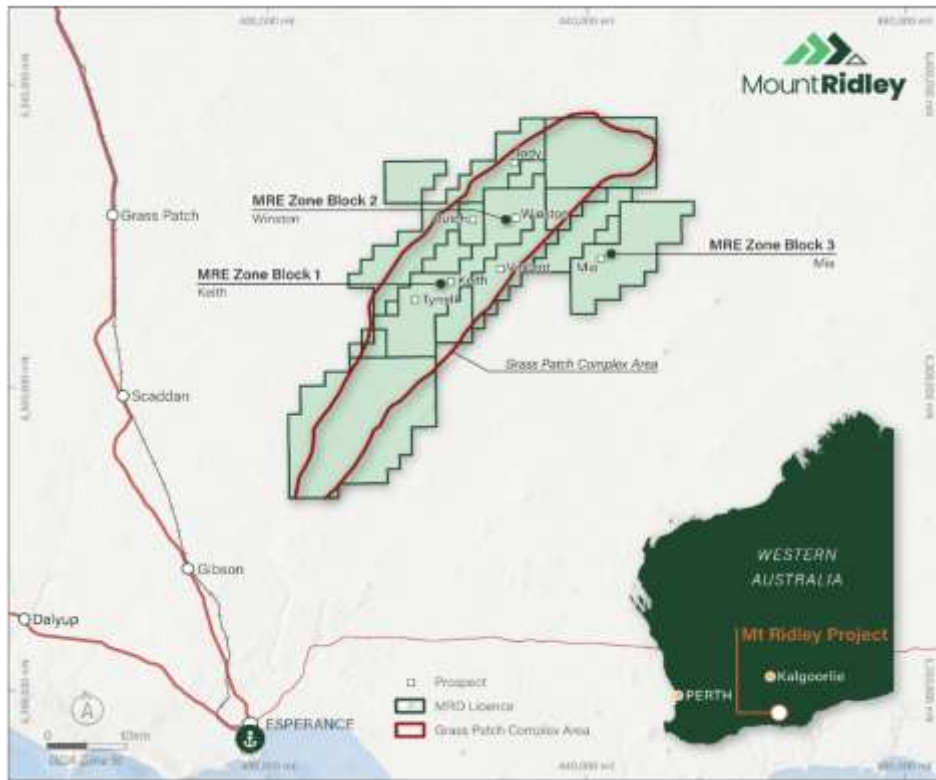
Such statements are based on the Company's current expectations, estimates, projections and assumptions as at the date of this announcement. Forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Company, that may cause actual results, performance or achievements to differ materially from those expressed or implied in such statements.

Factors that could cause actual results to differ materially include, but are not limited to, changes in commodity prices, exploration and development risks, resource estimation outcomes, metallurgical performance, regulatory approvals, environmental and heritage matters, funding availability, market conditions and general economic factors.

Readers are cautioned not to place undue reliance on forward-looking statements. Except as required by applicable law or the ASX Listing Rules, the Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Any references to exploration targets, resource growth potential or future development opportunities are conceptual in nature and there can be no assurance that further exploration work will result in the estimation of additional Mineral Resources or that any Mineral Resource will ultimately be converted to an Ore Reserve.

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**Location of the Grass Patch Project in 25km north of Esperance, Western Australia**

### About Mount Ridley Mines Ltd

**Mount Ridley Mines Ltd** is an Australian critical minerals explorer focused on the discovery and development of heavy rare earth elements, gallium and scandium across its wholly owned Grass Patch and Weld Range projects in Western Australia. Complementary to its upstream business, the Company is actively pursuing longer term downstream pathways aimed at enhancing value through processing and separation of critical minerals for supply into allied markets.

### Grass Patch Project

The flagship Grass Patch Project (formerly referred to as the Mount Ridley Project) is located approximately 25 kilometres north of the deep water port of Esperance and hosts defined heavy rare earth element, scandium and gallium resources identified through 70 000 metres of historical drilling. A majority of the project tenure is centred on the Grass Patch Complex, which is widely interpreted to be the primary source of the heavy rare earth enrichment identified across the project area.

The Grass Patch Project remains significantly underexplored relative to its scale and geological endowment. Multiple high priority walk up drill targets have been identified through historical drilling, geophysics and recent technical reviews. These targets are currently being assessed and prioritised with the intention of supporting future drilling programs planned for 2026.

### Weld Range Project

The Company also holds the Weld Range Project in Western Australia, which provides additional exposure to large scale mineral systems within a well-established mining region. Together, the Mount Ridley and Weld Range projects position the Company as an emerging participant in the supply of critical minerals into allied markets.

### About Mount Ridley Resource Estimations

Table 1 shows the Gallium Global JORC 2012 Resource Estimation tonnes/grade by Inferred category which currently stands at 838.7Mt @ 29.3 ppm Gallium. The MRE has been reported tabulating mineralisation above a 25 ppm Ga cut-off grade.

**Table 1: Global Total Gallium Inferred Mineral Resource Estimation**

| Project              | Mass<br>t   | Average Grade<br>(ppm Ga) | Contained Ga<br>Metal (t) | Average Grade<br>(ppm Ga <sub>2</sub> O <sub>3</sub> ) | Contained Ga <sub>2</sub> O <sub>3</sub><br>Metal (t) |
|----------------------|-------------|---------------------------|---------------------------|--|---|
| <b>Blocks 1 to 3</b> | 838,771,284 | 29.3                      | 24,584                    | 39.5   | 33,045  |

Table 2 shows the Scandium Global JORC 2012 Resource Estimation tonnes/grade by Inferred category which currently stands at 367.9Mt @ 57.3 ppm Scandium. The MRE has been reported tabulating mineralisation above a 25 ppm Sc cut-off grade.

**Table 2: Global Total Scandium Inferred Mineral Resource Estimation**

| Project                      | Mass<br>t   | Average Grade<br>(ppm Sc) | Contained Sc Metal<br>(t) | Average Grade<br>(ppm Sc <sub>2</sub> O <sub>3</sub> ) | Contained Sc <sub>2</sub> O <sub>3</sub><br>Metal (t) |
|------------------------------|-------------|---------------------------|---------------------------|--|---|
| <b>Blocks 1A, 1B &amp; 2</b> | 367,982,521 | 57.3                      | 18,855                    | 87.9   | 28,920  |

Table 3 shows the Rare Earth Oxide Global JORC 2012 Resource Estimation tonnes/grade by Inferred category which currently stands at 122.5Mt @ 889 ppm TREO for 108,954 tonnes contained TREO metal with 44,610t contained HREO reported at a 300 ppm TREO cut-off.

**Table 3: Mount Ridley Global Rare Earth Oxide Deposits Inferred Mineral Resource Estimate**

| Block Id                | Tonnage<br>(t) | Average Grade<br>(TREO ppm) | Average Grade<br>(HREO ppm) | Average Grade<br>(LREO ppm) | Average Grade<br>(MREO ppm) |
|-------------------------|----------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>Blocks 1 &amp; 2</b> | 122,546,251    | 889                         | 364                         | 525                         | 233                         |

Table 4 shows the Global JORC 2012 Resource Estimation tonnes/grade by Inferred category which currently stands at 168Mt @ 1,201 ppm Total Rare Earth Oxide (TREO). The MRE for the central Mia Prospect has been reported tabulating mineralisation above a 750ppm TREO cut-off grade.

**Table 4: Global Total TREO Inferred Mineral Resource Estimation**

| Project            | Mass<br>t   | Pr <sub>6</sub> O <sub>11</sub><br>ppm | Nd <sub>2</sub> O <sub>3</sub><br>ppm | Tb <sub>4</sub> O <sub>7</sub><br>ppm | Dy <sub>2</sub> O <sub>3</sub><br>ppm | TREO<br>ppm | MagREO<br>ppm | MagREO/TREO<br>ppm |
|--------------------|-------------|--|---------------------------------------|---------------------------------------|---------------------------------------|-------------|---------------|--------------------|
| <b>Block 3 Mia</b> | 168,000,000 | 57                                     | 215                                   | 4                                     | 25                                    | 1201        | 301           | 25%                |

The Company is not aware of any new information or data that materially affects the information included in the original market announcement and all material assumptions and technical parameters underpinning the Mineral Resources for all Projects continue to apply and have not materially changed.

**Appendix 1: Drillhole Information**

| Hole ID  | Easting<br>GDA94, Zone 51 | Northing<br>GDA94, Zone 51 | RL<br>(m) | Total Depth<br>(m) | Hole<br>Type | Dip | Azimuth |
|----------|---------------------------|----------------------------|-----------|--------------------|--------------|-----|---------|
| MRAC1056 | 414742                    | 6300813                    | 168.09    | 34                 | AC           | -90 | 0       |
| MRAC1057 | 414354                    | 6300910                    | 165       | 25                 | AC           | -90 | 0       |
| MRAC1058 | 413950                    | 6300907                    | 164.86    | 18                 | AC           | -90 | 0       |
| MRAC1059 | 413556                    | 6300900                    | 163.71    | 10                 | AC           | -90 | 0       |
| MRAC1060 | 413152                    | 6300884                    | 162.85    | 18                 | AC           | -90 | 0       |
| MRAC1061 | 412753                    | 6300896                    | 162.5     | 22                 | AC           | -90 | 0       |
| MRAC1062 | 412722                    | 6300724                    | 160.42    | 22                 | AC           | -90 | 0       |
| MRAC1063 | 412764                    | 6300323                    | 161.4     | 19                 | AC           | -90 | 0       |
| MRAC1064 | 412604                    | 6299954                    | 160.78    | 17                 | AC           | -90 | 0       |
| MRAC1065 | 412351                    | 6300027                    | 162.55    | 19                 | AC           | -90 | 0       |
| MRAC1066 | 412005                    | 6300212                    | 161.47    | 18                 | AC           | -90 | 0       |
| MRAC1067 | 411620                    | 6300352                    | 159.82    | 34                 | AC           | -90 | 0       |
| MRAC1068 | 411240                    | 6300452                    | 159.93    | 35                 | AC           | -90 | 0       |
| MRAC1069 | 410851                    | 6300563                    | 162.09    | 30                 | AC           | -90 | 0       |

**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  |
|---------------------------|--|---|
| <i>Sampling technique</i> | <p><i>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.</i></p> <p><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></p> <p><i>Aspects of the determination of mineralisation that are Material to the Public Report.</i></p> <p><i>In cases where ‘industry standard’ work has been done this would be relatively simple (e.g., ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other</i></p> | <p>In 2022, area was sampled by Aircore (“AC”) drilling by Mount Ridley Mines Ltd</p> <p>In total of 14 holes were completed totalling 321m over the current tenure area. Holes were drilled vertical to optimally intersect the mineralised zones.</p> <p>Sampling was completed every 1m throughout the entire hole. Every sample weighted between 1 and 2kgs.</p> <p>All holes were drilled vertically to refusal, terminating in basement rocks aimed to locate coarse-grained, mineralised gabbroic rocks of intrusive mafic-ultramafic origin and identify contacts.</p> <p>Drill holes were located just off existing tracks and drilled to blade refusal into basement rocks.</p> <p>All drill hole collars in the supplied database have been accurately located with coordinates in GDA94, Zone 51 grid system. Down hole surveys have not been taken as drill holes are all vertical. All drill samples were collected at 1m intervals. Whole samples were taken when sample return was less than 2kg.</p> |

| Criteria              | JORC Code explanation  | Commentary  |
|-----------------------|--|---|
|                       | <p><i>cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g., submarine nodules) may warrant disclosure of detailed information.</i></p>   | <p>Samples of drill chips drilled using a conventional aircore drilling rig were collected through a cyclone as 1m piles laid out consecutively on the ground then sampled every 1m. Samples were analysed at ALS Perth.</p> <p>A twin riffle splitter was used for samples weighing more than 2kg, with one split collected in a calico bag for analysis and the remainder dropped on the ground. Sampling and QAQC procedures were carried out to industry standards.</p> <p>Analyses reported herein by ALS Laboratory's ME-MS85 with ICP-MS finish.</p> |
| Drilling techniques   | <p><i>Drill type (e.g., core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g., core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i></p>  | <p>Q Exploration Pty Ltd conducted aircore drilling using an Edson 100 with a 250/400 PSI on-board compressor mounted on an Isuzu 750 4x4 truck.</p> <p>Aircore. A type of reverse circulation drilling using slim rods and a 100mm blade bit drilled to refusal (saprock to fresh rock).</p> <p>Samples of drill chips drilled using a conventional aircore drilling rig were collected through a cyclone as 1m piles laid out consecutively on the ground then sampled as 1m composite samples.</p>   |
| Drill sample recovery | <p><i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></p> <p><i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></p> <p><i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i></p> | <p>All samples were weighed. This provides an indirect record of sample recovery.</p> <p>Aircore samples were visually checked for recovery, moisture and contamination and no recovery problems were encountered. Geologists commented when recovery was poor or wet ground conditions.</p> <p>Drilling has been with rigs of sufficient capacity to provide dry chip samples. Chip sample recovery was generally not logged.</p> <p>No relationships between sample recovery and grades exist.</p>  |
| Logging               | <p><i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i></p>  | <p>Logging has been completed for all AC drilling including rock type, grain size, texture, colour, foliation, mineralogy, alteration, sulphide and veining, with a detailed description written for many intervals.</p> <p>All logging was of a level sufficient in detail to support resource estimation.</p>   |

| Criteria   | JORC Code explanation   | Commentary   |
|--|---|--|
|  | <p><i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></p> <p><i>The total length and percentage of the relevant intersections logged.</i></p>  | <p>Holes have been logged at 1m intervals to record weathering, regolith, rock type, colour, alteration, mineralisation and texture and any other notable features.</p> <p>Logging was qualitative, however the geologists often recorded quantitative mineral percentage ranges for the Scandium-REE minerals present.</p>  |
| <p><i>Sub-sampling techniques and sample preparation</i></p> | <p><i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></p> <p><i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></p> <p><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></p> <p><i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></p> <p><i>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.</i></p> <p><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></p> | <p>AC samples for each 1 metre of drilling were split once through a riffle splitter and collected into a calico bag at the drill site.</p> <p>All samples were dry 1m samples composite samples were 'speared' from the sample piles for an approximately 1 - 3 kg sample. Sample composite length is determined by geology.</p> <p>Certified reference material (CRM) routinely inserted within the sampling sequence at a rate of 3% each. Field duplicates taken at pre-specified intervals at the time of drilling at the rate of 3%</p> <p>Samples were submitted to ALS in Perth with analysis of samples (included drying and pulverising to 85% passing 75um). Analysed for a full digest by ICP-MS (ALS code - ME-MS85) Aqua Regia Digestion with Inductively Coupled Plasma Mass Spectrometry (ICP-MS) finish.</p> <p>Laboratory standards taken at the pulverizing stage and selective repeats conducted at the laboratory's discretion.</p> <p>Field QC procedures involved the use of coarse standards, and field duplicates. The field duplicates were collected at a rate of 1:100 and have accurately reflected the original assay. A recognised laboratory has been used for analysis of samples. The standards are not certified and have no expected value, but the material was homogeneous and produced repeatable results.</p> <p>Sample sizes were considered appropriate to correctly represent the bulk tonnage mineralisation based on the style of mineralisation, the thickness and consistency of the intersections, the sampling methodology and assay value ranges for Scandium.</p> <p>Sample sizes were considered appropriate to correctly represent the bulk tonnage mineralisation based on the style of mineralisation, the thickness and consistency of</p> |

| Criteria   | JORC Code explanation  | Commentary   |
|--|--|--|
|  |  | the intersections, the sampling methodology and assay value ranges for scandium.   |
| <i>Quality of assay data and laboratory test</i> | <p><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></p> <p><i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></p> <p><i>Nature of quality control procedures adopted (e.g., standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e., lack of bias) and precision have been established.</i></p> | <p>Analysis of AC samples was undertaken by ALS Laboratory in Perth and analysed for a full digest by ICP-MS (ALS code - ME-MS85) Aqua Regia Digestion with Inductively Coupled Plasma Mass Spectrometry (ICP-MS) finish assaying only Sc (ppm). Each batch was sorted, dried and pulverised.</p> <p>No geophysical tools were used to determine any element concentrations used in this resource estimate.</p> <p>Laboratory QAQC includes the use of internal standards using certified reference material, laboratory duplicates and pulp repeats. The field duplicates have accurately reflected the original assay.</p> <p>The QAQC results confirm the suitability of the drilling data for use in the Mineral Resource estimation.</p>  |
| <i>Verification of sampling and assaying</i>     | <p><i>The verification of significant intersections by either independent or alternative company personnel.</i></p> <p><i>The use of twinned holes.</i></p> <p><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></p> <p><i>Discuss any adjustment to assay data.</i></p>   | <p>There have been no twinned holes drilled at this point, although there is very closely spaced drill grade control at the same orientations drilling that confirmed the continuity of mineralisation.</p> <p>Recovered samples were generally composed of gravel, pisolites, or clay and no visual distinction can consistently be made between scandium mineralisation and barren material. All assay results returned in digital files from ALS laboratory which confirmed the mineralised intersections recorded in the Mt Ridley database.</p> <p>Geologists logged all drill samples at the rig, with a minimum logging interval of 1m. All logging data was captured directly into laptops to ensure consistency of coding and minimise data entry errors. Logging was described using the MRD Logging Codes preloaded into the data logger.</p> <p>Assay results were loaded electronically, directly from the assay laboratory. All drillhole data was visually validated prior to resource estimation.</p> <p>All drillhole information was stored graphically and digitally in MS excel and MS access formats.</p> |

| Criteria   | JORC Code explanation   | Commentary   |
|--|---|--|
|  |   | No adjustments have been made to assay data.   |
| <i>Location of data points</i>                                 | <p><i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></p> <p><i>Specification of the grid system used.</i></p> <p><i>Quality and adequacy of topographic control.</i></p>   | <p>Down hole surveys have not been taken only in the diamond drill holes as drill holes and all AC holes were drilled vertically through the predominantly flat lying laterite.</p> <p>Topographic surface based on Landsat topography series containing 5m contour data. This was supplemented by using RTK surveyed points and drillhole collars recorded by BRL.</p> <p>All rock chip locations were recorded with a handheld GPS with +/- 5m accuracy.</p> <p>All data used in this report are in:</p> <p>Datum: Geodetic Datum of Australia 94 (GDA94)</p> <p>Projection: Map Grid of Australia (MSC), Zone 51.</p> |
| <i>Data spacing and distribution</i>                           | <p><i>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.</i></p>  | <p>The nominal drill hole spacing was random over 400m spacings.</p> <p>Drill hole sampling was at even 1m lengths so no compositing was carried out.</p> <p>All previously reported sample/intercept composites have been length weighted.</p>  |
| <i>Orientation of data in relation to geological structure</i> | <p><i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></p> <p><i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></p> | <p>Drill holes are drilled vertical, which was approximately perpendicular to the orientation of the flat-lying mineralisation.</p> <p>No orientation-based sampling bias has been identified in the data.</p>   |
| <i>Sample security</i>   | <p><i>The measures taken to ensure sample security.</i></p>   | <p>The chain of custody was managed by company representatives and was considered appropriate. The laboratory receipts received samples against the sample dispatch documents and issued a reconciliation report for every sample batch.</p>   |
| <i>Audits or review</i>  | <p><i>The results of any audits or reviews of sampling techniques and data.</i></p>   | <p>Sampling techniques are consistent with industry standards.</p>   |

| Criteria | JORC Code explanation | Commentary |
|----------|-----------------------|------------|
|          |                       |            |

## Section 2 Reporting of Exploration Results

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

| Criteria                                       | JORC Code explanation   | Commentary  |
|--|---|---|
| <i>Mineral tenement and land tenure status</i> | <p><i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i></p> <p><i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i></p> | <p>Tenement E63/2537 along with the other, E63/1564, E63/2111 &amp; E63/2112 are key tenements within the Company's Mt Ridley Scandium Project. The Prospect is located 55km NE of Esperance, Western Australia. The Registered Holder is Mount Ridley Mines Limited (Company) (100%).</p> <p>There are no overriding royalties other than the standard government royalties for the relevant minerals. There are no other material issues affecting the tenements at this stage.</p>   |
| <i>Exploration done by other parties</i>       | <i>Acknowledgment and appraisal of exploration by other parties.</i>  | <p>Historically several large companies such as BHP, RGC, Iluka and Western Mining have completed large regional appraisals of the district going back many years. These programs were mainly for mineral sands, gold, uranium and base metals. More recently and locally, exploration for lignite and brown coals in the Tertiary overburden (mainly Miocene - aged) was common in the 1990s. Several coal mining leases were taken out in the eastern part of the project area.</p> <p>During the mid-1970's Central Norsemen Gold Corporation explored an area to the northwest of Dingo Rocks for precious and base metals. They considered the terrane to be prospective for high grade metamorphic Au deposits, Broken Hill-Type Zn-Pb-Cu deposits, magmatic Ni-Cu sulphides and Fe-Ti magnetite deposits. Aerial radiometric anomalies associated with a cluster of playa lakes suggested potential for uranium mineralisation.</p> <p>Exploration activities included geological mapping, ground radiometric surveys, auger drilling, RC drilling, diamond drilling and petrology.</p> <p>In late 1979 Western Collieries Ltd (now Wesfarmers) and Mokey Pty Ltd exploration of the Grass Patch region for Tertiary (Eocene) lignite deposits. Regional airborne INPUT EM surveying was used to identify the location of Tertiary palaeochannels that host the Eocene lignite deposits. The Scadden lignite deposit, containing 607 million tonnes, was discovered in mid-1980.</p> |

| Criteria | JORC Code explanation | Commentary  |
|----------|-----------------------|---|
|          |                       | <p>BHP explored a tenement in the Dingo Rocks area for gold in 1985 without success.</p> <p>From the mid 1990's and up to 2001 Pan Australian Exploration Pty Ltd (PAE), a subsidiary of Pan Australian Resources NL, explored the Grass Patch region for base metals using a "Grenville-aged" Broken Hill-Type Zn-Pb-Cu-Ag exploration model. Much of PAE's exploration activities utilised a variety of consultant companies, the main one being Etheridge Henley and Williams Pty Ltd (EHW). In later years PAE established a joint venture with BHP Minerals (BHPM) on selected tenements in the area with BHPM as exploration managers.</p> <p>BHP Minerals (BHPM) acquired tenement in the Grass Patch area in the late 1990's and in 1999 established a joint venture with Pan Australia Resources over selected tenements. In the period 1999-2000, BHPM explored the area for BHT Zn-Pb deposits using the same model utilised by PAE.</p> <p>Bishop was the first to research and champion the potential of Grass Patch, interpreted as a large, crudely layered, amphibolite-gabbro complex beneath shallow cover sediments. The mafic complex is considered to have the potential to host nickel-copper sulphide deposits and PGE deposits.</p> <p>Bishop undertook the previously mentioned comprehensive prior-data review, detailed litho-geochemistry interpretation from 'best available' end of hole assays, development of a geological map based on this information. Additional drilling tested the models but didn't return assays of commercial consequence.</p> <p><b>RIDLEY RESOURCES</b></p> <p>Targeted the circular geophysical signature interpreted to be a layered gabbroic mafic intrusion (Bishop's Scadden Complex) with one drillhole in 2009. Nearby lignite locations were aircore drilled in 2010-2011, returning poorly developed lignite intersections.</p> <p>Early-stage exploration was focused on locating the source of mineralization at these locations.</p> <p>Exploration work for the 2014-2015 reporting period included:</p> <ul style="list-style-type: none"> <li>• Detailed low-level airborne aeromagnetic surveying</li> <li>• Orientation ground-based EM surveying</li> <li>• Aircore Drilling (308 holes for 14,102 metres)</li> <li>• Diamond Drilling (4 holes for 1,571 metres)</li> <li>• Regional airborne VTEM surveying using the VTEM max time-domain system</li> <li>• Targeted ground-based EM surveying</li> <li>• Detailed gravity surveying</li> </ul> <p>Exploration work for the 2015-2016 combined reporting period included:</p> |

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| Criteria | JORC Code explanation | Commentary   |
|----------|-----------------------|--|
|          |                       | <ul style="list-style-type: none"> <li>• Geophysical Audio Magnetotelluric (AMT) Survey</li> <li>• Geophysical Audio Magnetotelluric (AMT) Modelling</li> <li>• Ground EM Surveying (FLEM)</li> <li>• Geophysical Magnetic Survey</li> <li>• Air Core Drilling (354 holes for 16,385 metres)</li> <li>• Diamond Drilling (10 holes for 4,211 metres)</li> </ul> <p>Work Completed 2016 – 2017 combined reporting period included:</p> <ul style="list-style-type: none"> <li>• T19 Diamond Drilling &amp; Down Hole EM</li> <li>• CSA Review Key Findings:</li> <li>• Ground Gravity completion</li> <li>• High Powered Moving Loop (SAMSON) Time Domain</li> <li>• Electromagnetics (HP MLTEM)</li> <li>• Air core geochemistry Drilling</li> <li>• Auger geochemistry</li> <li>• RC and Diamond Drilling targeting apparent HP MLTEM</li> <li>• conductors &amp; Down Hole EM</li> </ul> <p>Substantial programmes of auger, aircore and diamond drilling all previously reported.</p> <p>Historically, most exploration programs in the district were ineffective or incomplete. Commonly, regional AC programs did not penetrate through the transported overburden (many holes were less than 20 m deep). Surface geochemistry is known to be ineffective in areas of significant overburden.</p> <p>In the early 2000's, Pan Australian Resources and Western Platinum/ BHP Minerals recognised the significance of a 60 x 15 km coincident gravity-magnetic feature known as the Mount Ridley, discovered during the 1960's by the Bureau of Mineral Resources (now Geoscience Australia). Collectively they explored the region using a "Grenville-aged" Broken Hill-type Zn-Pb-Cu-Ag exploration model but never drilled a hole into the Mount Ridley. Bishop (2002) was the first to research and champion the potential of Mount Ridley for a new, large layered mafic intrusion with the potential to host nickel-copper sulphide deposits and PGE deposits, well before the discovery of Nova.</p> <p>The true potential of the area has been historically untested, and has remained untested until most recently, in light of a magmatic sulphide model, post the modern discovery of Nova- Bollinger.</p> <p>In more recent times, a circular geophysical signature identified in the southwest of E63/1547, was interpreted to be layered gabbroic mafic intrusion and was tested by Ridley Resources in 2009. An RC drill hole RRC001, was drilled vertically into the eastern part of the anomaly down to 136 m. Logging described a mixture of metamorphosed mafic rocks, possibly</p> |

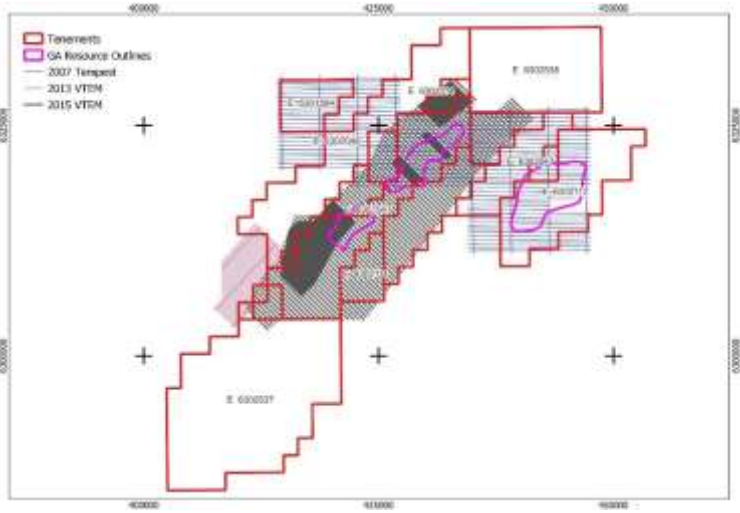
| Criteria | JORC Code explanation | Commentary  |
|----------|-----------------------|---|
|          |                       | <p>leuco- Gabbro occurring with granitic gneisses. These rocks also contained magnetite, epidote, garnet and pyrite. Peak values encountered were 0.007 ppm Au, 0.003 ppm Pd, 3.2 ppm Ag, 34 ppm Cu and 56 ppm Ni. It must be noted however, that this is only one hole and the strike length of the anomaly is 9 kilometres.</p> <p>The first helicopter-borne electromagnetic survey (VTEM) was completed in March 2013 by AXG Mining Ltd, the precursor to Mt Ridley Mines, to investigate further, this geophysical feature thought to represent a layered mafic intrusion. Interpretation of the results and identification of follow-up targets was completed by SGC in October 2014 and discussed in the Annual Report Mt Ridley Mines Ltd E63/1547 Feb 2014 – Feb 2015.</p> <p>Ridley Resources Ltd also conducted follow-up work on identified lignite locations in 2010 /11 conducting a small drilling program comprising 12 aircore holes (RRAC001 to RRAC012) along existing tracks. The holes achieved a maximum depth of 36 m and various lignite intersections were identified. Ongoing exploration could not be justified due to thin intersections and poor lignite grades.</p> <p>Previous exploration completed by Mt Ridley Mines</p> <p>A review of the regional gravity data indicates the Albany-Fraser Province is clearly underlain by prominent NE-trending corridors of higher density material which is interpreted to represent igneous, mafic-ultramafic rock types and probably the source of the mineralising magmas.</p> <p>Mt Ridley Mines has recognized similarly, the presence of a significant gravity anomaly inside its tenements that may indicate the presence of denser, nearer-surface, igneous intrusive rocks. Initial work to investigate this anomaly included data review, field inspection and an airborne magnetic/radiometric geophysical survey to identify both potential magnetic and non- magnetic intrusive targets. This was followed by limited ground-based geophysics, reconnaissance and infill aircore drilling, and targeted diamond drilling to physically identify the geological and geochemical nature of the priority intrusive targets and conductive targets.</p> <p>In the 2014-2015 and 2015-2016 reporting periods, Mt Ridley Mines identified through geophysics and deep drilling, three priority intrusive targets, Targets 2, 19 &amp; 20. It was confirmed that Targets 2, 19 &amp; 20 contain intrusive olivine-rich igneous rocks which are known to be associated with sulphides rich in nickel and copper as revealed in the Nova deposit.</p> <p>Aircore holes at these targets have been shown to be anomalous in both nickel and copper mineralisation.</p> <p>Ground-based electromagnetic, intrusive Target 2 has a coincident FLTEM anomaly and air core drilling has also identified sulphides associated with it.</p> |

| Criteria | JORC Code explanation   | Commentary  |
|----------|---|---|
| Geology  | <i>Deposit type, geological setting, and style of mineralisation.</i> | <p>E63/2537 is the central tenement in the Mt Ridley Project, situated on the 1:250,000 scale GSWA sheet Esperance SI51-06 and the 1:100,000 scale GSWA sheet Burdett 3331.</p> <p>The Mt Ridley project is located in the Albany-Fraser Mobile Belt on the south-eastern edge of the Yilgarn Craton in south-east WA. Surface geology is dominated by Cretaceous to Tertiary alluvial, sand and lacustrine cover deposits, some of which are large saline playa lakes such as Lake Halbert. Bedrock geology consists of Archaean to MesoProterozoic gneisses and granites, some intermixed with mafic and ultramafic rocks.</p> <p>The project is mainly underlain by Archaean to Meso-Proterozoic gneisses and granites, some intermixed with mafic and ultramafic rocks. The Geological Survey of WA recognise the following units in the project area (from north to south):</p> <p>In the northern west: The Munglinup Gneiss - a granitic Neo-Archaean to Meso-Proterozoic gneiss.</p> <p>Large area in the central portion of the tenement: Dalyup Gneiss dating from the Palaeo-Proterozoic and comprising gneissic granites, gneisses and possible mafics lithologies.</p> <p>In the SE: Recherche Granite of Meso-Proterozoic age and consisting of recrystallized and/or porphyritic granites, probably intrusive in nature.</p> <p>In the far southeastern corner Coramup Gneiss ranging in age from Palaeo-Proterozoic to Meso-Proterozoic and comprising orthogneiss, quartzites and granitic gneisses.</p> |

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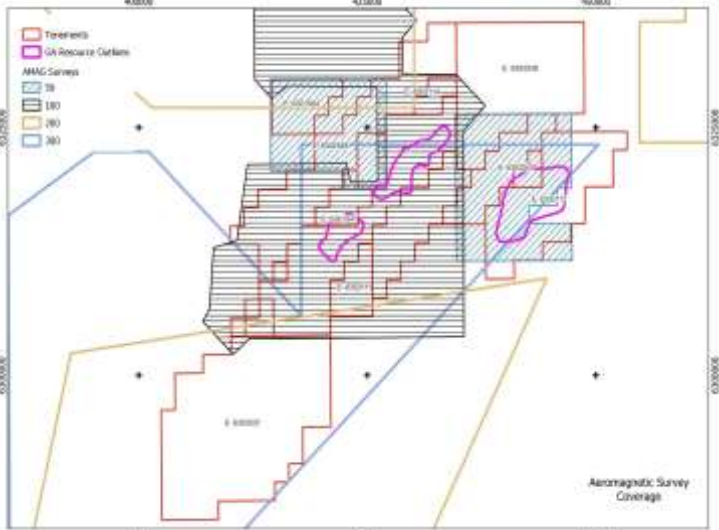
| Criteria                | JORC Code explanation   | Commentary  |
|-------------------------|---|---|
| Drill hole Information  | <p>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</p> <ul style="list-style-type: none"> <li>○ easting and northing of the drill hole collar</li> <li>○ elevation or RL (Reduced Level)</li> <li>○ elevation above sea level in metres) of the drill hole collar</li> <li>○ dip and azimuth of the hole</li> <li>○ down hole length and interception depth</li> <li>○ hole length.</li> </ul> <p>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.</p> | <p>The drill hole information has been inserted and tabulated within Appendix 1.</p> <p>Easting and Northing coordinates are all referenced to GDA94, MGA projection, Zone 51.</p>  |
| Data aggregation method | <p>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.</p> <p>Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregate should be stated and some typical examples of such aggregate should be shown in detail.</p> <p>The assumptions used for any reporting of metal equivalent values should be clearly stated.</p>  | <p>Aggregate intercepts are not incorporated. All sampling intervals are at even 1m intervals.</p> <p>Scandium ppm was converted to Scandium oxide (<math>Sc_2O_3</math>) by a factor of 1.5883 (<u>Advanced Analytical Centre-Element-to-stoichiometric oxide conversion factors - JCU Australia</u>)</p> <p>Metal equivalent values are not being reported.</p> |

| Criteria   | JORC Code explanation  | Commentary  |
|--|--|---|
| <i>Relationship between mineralisation widths and intercept length</i> | <p><i>These relationships are particularly important in the reporting of Exploration Results.</i></p> <p><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></p> <p><i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g., 'down hole length, true width not known').</i></p> | <p>All drill holes were vertical and intersected the mineralisation orthogonally</p> <p>The Scandium lodes were flat lying following the profile of the gently undulating topography.</p> <p>The vertical drill holes through the horizontal Scandium-REE mineralisation results in true widths being recorded.</p>   |
| <i>Diagrams</i>  | <p><i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i></p>  | <p>Refer to figures in the current announcement</p>   |
| <i>Balanced reporting</i>  | <p><i>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.</i></p>  | <p>All significant results above the stated reporting criteria have previously been reported, not just the higher-grade intercepts.</p>   |
| <i>Other substantive exploration data</i>                              | <p><i>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.</i></p>                      | <p><u>Airborne Electromagnetic Surveys</u></p> <p>AEM surveys over the project include a 2007 Tempest survey with 400m line spacing flown by Bronzewing Gold exploring for lignite hosted uranium, a 2013 VTEM survey with 250m line spacing flown by XTL Energy and 2015 VTEM survey with 400m/100m line spacing flown by Mount Ridley Mines both for nickel exploration.</p> <p>Of these platforms the Tempest provides better shallow resolution and discrimination, with the VTEM designed to detect deeper basement conductors.</p> <p>The datasets were obtained from DEMIRS and MRM noting that they included contractor supplied inversions with the Tempest as conductivity inversions and VTEM resistivity as inversions. Channel imagery were generated along with Conductivity/Resistivity Depth Sections for flight lines corresponding to significant gallium intersections for analysis.</p> |

| Criteria | JORC Code explanation | Commentary   |
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|          |                       | <p><u>Gravity Surveys</u></p> <p>Ground gravity has been completed over a number of programs in 2015 and 2016. The surveys were undertaken with various station spacings with semi regional 400m x 200m to higher resolution 100m x 100m.</p> <p>The datasets were obtained from MRM and were gridded and processed to highlight geological features of interest using various filtering techniques.</p> <p>The Channel imagery was generated along with Conductivity/Resistivity Depth Sections for flight lines corresponding to significant gallium intersections for analysis.</p>  <p><u>Aeromagnetic Survey</u></p> <p>The project has good high resolution aeromagnetic coverage with 50m and 100m line spaced over the majority of the tenements. The new tenement application in the southeast (E63/2537) only has 200m coverage with E63/2538 in the northeast only 400m.</p> |

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| Criteria                   | JORC Code explanation  | Commentary  |
|----------------------------|--|---|
|                            |  | <p>The datasets (magnetics and radiometrics) were obtained from DEMIRS, compiled and merged together before processing and filtering to generate a suite of imagery.</p>  |
| <p><i>Further work</i></p> | <p><i>The nature and scale of planned further work (eg., tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></p> <p><i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></p> | <p>Planned further work includes additional drilling to test the NE and SW portion of the Gallium-Scandium/REE areas previously untested.</p>   |

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