

# Quarterly Activities Report

## December 2016

### Bougouni Lithium Project

- ❖ Activities focused upon high grade, bulk tonnage Goulamina Lithium Deposit
- ❖ Maiden resource of 15.5Mt at 1.48% Li<sub>2</sub>O, confirming Goulamina as among the highest grade, hard rock lithium deposits of significant size globally today
- ❖ Second phase 10,000+ metres drilling program commenced, focusing on resource extensions and upgrades to resource categories
- ❖ Memorandum of Understanding with Chinese lithium battery manufacturer Far East First New Energy Co supports potential for accelerated project development
- ❖ Letter of intent from Shandong Mingrui Group for project sale for a total cash consideration of AUD\$ 107.5 million confirms strong demand from potential product end-users

### Massigui Gold Project

- ❖ Option agreement with Randgold to commercialise deposits within Massigui Project
- ❖ Deal provides low risk, low cost processing solution for select deposits
- ❖ Birimian retains 100% rights for exploration over broader area

### Corporate

- ❖ Cash on hand in excess of A\$7.5 million

ASX Code BGS  
ACN 113 931 105

#### COMPANY DIRECTORS

Winton Willesee

**Chairman**

Kevin Joyce

**Managing Director**

Hugh Bresser

**Director**

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## **BOUGOUNI LITHIUM PROJECT**

The Bougouni Lithium Project (the "Project") represents an exciting high-grade, bulk tonnage lithium project, comprising a large license area spanning some 295km<sup>2</sup> in Southern Mali.

Activities during the quarter remained focused on the Goulamina lithium deposit (Figure 1) within the Project. This deposit is situated in close proximity to a sealed highway, grid power and abundant water.

### **Maiden mineral resource confirms large tonnage high-grade lithium deposit**

A maiden Mineral Resource was announced on 24 October 2016. The estimated resource for the Goulamina deposit is:

**15.5Mt @ 1.48% Li<sub>2</sub>O  
for 229,000 tonnes contained Li<sub>2</sub>O.**

This result positions Goulamina as among the highest grade, hard rock lithium deposits of significant size globally today.

Two zones of wide, high grade lithium mineralisation have been confirmed to date (Figure 2 and 3). Detailed drilling at the Main Zone has defined shallow, continuous, high grade lithium mineralisation over approximately 700 metre of strike, and beyond 150m down dip. Drilling at the West Zone has confirmed wide and high-grade lithium mineralisation over approximately 300m of strike.

There remains significant potential to expand this maiden resource and improve the modelled grade with additional drilling, particularly at the higher grade West Zone (resource grade of 1.67% Li<sub>2</sub>O).

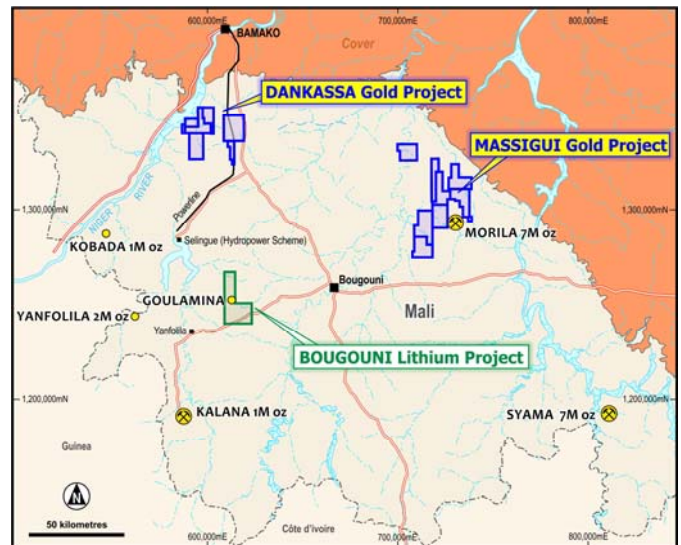
A 100km<sup>2</sup> portion of the Project tenure (including the Goulamina deposit) was upgraded to a Research Permit, with the balance of the project area retained as an Authorisation to Prospect with attached applications for research permits. During this process, the Company had the opportunity to expand its landholding to 295km<sup>2</sup> to cover additional prospective zones to the east of Goulamina.

### **Mineral Resource Estimate**

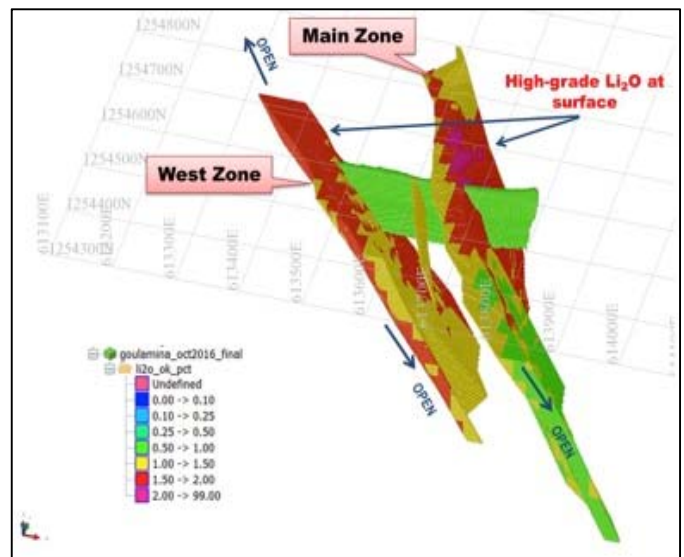
Cube Consulting (Cube) carried out the Mineral Resource estimate and CSA Global provided input to a preliminary mining study complementing Cube's work. Resources have been estimated to Indicated and Inferred confidence levels as per Table 1. Forty per cent (40%) of the Mineral Resource already lies in the indicated category.

CATEGORY	Zone	Tonnes	Li <sub>2</sub> O (%)	Li <sub>2</sub> O (tonnes)	Fe <sub>2</sub> O <sub>3</sub>
INDICATED	Main	6,200,000	1.40	87,000	0.86
	West	-	-	-	0
<b>INDICATED</b>	<b>TOTAL</b>	<b>6,200,000</b>	<b>1.40</b>	<b>87,000</b>	<b>0.86</b>
INFERRED	Main	3,200,000	1.26	40,000	0.84
	West	6,100,000	1.67	102,000	0.93
<b>INFERRED</b>	<b>TOTAL</b>	<b>9,300,000</b>	<b>1.53</b>	<b>142,000</b>	<b>0.90</b>
	<b>TOTAL</b>	<b>15,500,000</b>	<b>1.48</b>	<b>229,000</b>	<b>0.89</b>

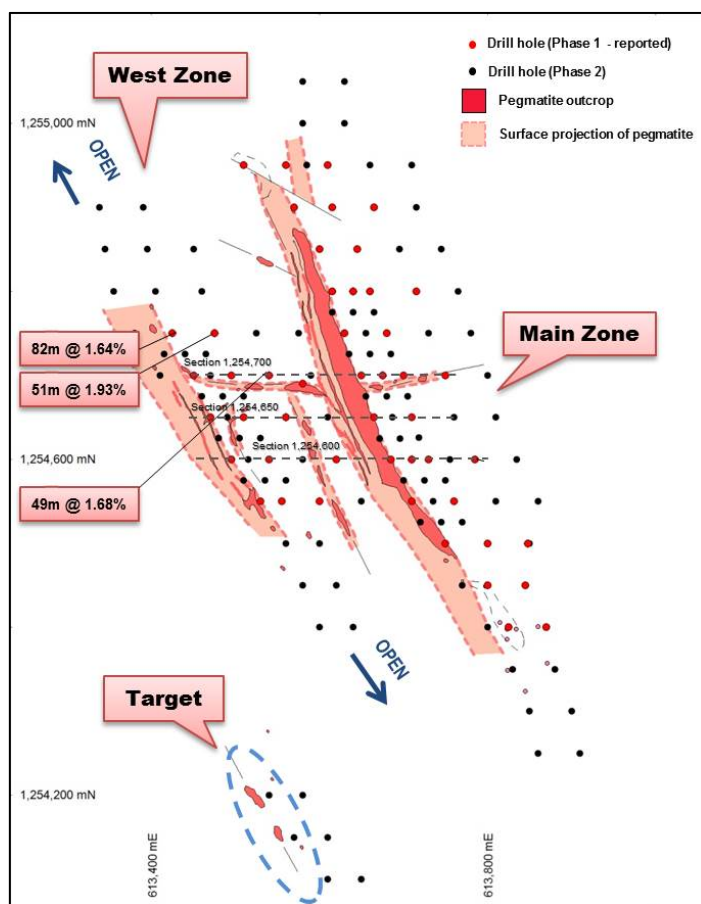
**Table 1. Goulamina Mineral Resource classifications.**



**Figure 1. Location of projects in southern Mali**



**Figure 2. Goulamina Block Model oblique view looking to the north**



**Figure 3.** Goulamina Deposit - Plan view of lithium pegmatite with planned Phase 2 drilling (assay pending)

The mineral resources are defined by reverse circulation (RC) and diamond (DD) drilling. In total, 50 holes for 5,179m of drilling informed the resource model. The majority of drilling is at 50m x 50m and 50m x 25m spacing on the Main pegmatite zone.

The majority of the resource area of the Main Zone pegmatite was classified as Indicated Resources. Deeper mineralisation on this zone, as well as for the West Zone pegmatite, was classified as Inferred Resources due to the wider drillhole spacing. Infill drilling is in progress to upgrade resources in these areas.

A significant portion of the very high grade material occurs in outcrop and near surface, presenting a potential opportunity to exploit high grade ore early in the project life, allowing for rapid payback and enhanced cash flow from a suitably staged project development. The Project Scoping Study which is currently being finalised will investigate this potential development strategy.

#### **Next phase drilling commences**

In November 2016, the second phase RC and DD drilling program commenced at Goulamina. Two diamond drill rigs and an RC drill rig have been deployed to accelerate completion of the program. A total of 7,320m of drilling has been completed to date in the current campaign.

Drilling aims to expand the current resource and enhance modelled grade, with primary focus at the West Zone where wide and high-grade mineralisation remains open along strike near surface and at depth. Recent shallow step out RC drill sections to the north of this zone have intersected additional zones of pegmatite, confirming the near surface and depth continuation of lithium prospective rocks in this area. Assays are pending.

The RC rig initially focused on drilling a series of pre-collars for later, deeper, diamond holes at Main and West Zones. Upon completion of the pre-collars, RC drilling has been prioritised to focus on testing strike extensions at West Zone. The RC rig will progressively test additional strike potential at Main Zone and other targets to the south of the deposit. The last phase of the RC drilling will comprise 25m spaced infill sections over Main and West Zone to enable upgrades to resource classifications for detailed feasibility assessments.

Observations from drilling have necessitated the modification and expansion of the current program, which is now expected to be completed in February. An updated resource estimate will follow in March 2017, leading to the Pre-Feasibility Study and maiden reserve reporting during the June 2017 quarter.

#### **Scoping Study and Permitting**

The Scoping Study to define inputs into the project Feasibility Study is nearing completion.

Como Engineers (Como) has been engaged to determine the key processing parameters and estimate capital costs, which will be used to define subsequent phases of detailed work at the Project. Subsequent to a detailed review of results from the previous bulk sampling conducted by CSA Global, Como are progressing the next phase of detailed test work, with results expected in the March 2017 quarter. Como has significant experience in process design and engineering of spodumene concentration plants, including recently undertaking the Definitive Feasibility Study for Pilbara Minerals' Pilgangoora Lithium Project.



Digby Wells Environmental (Digby Wells) have reported results from fieldwork for the initial social and environmental assessment of areas around the potential mine and processing site at Goulamina. Digby Wells confirm that at this stage, they foresee no social or environmental impediment to permitting and eventual development of the Project. On the basis of their findings, Digby Wells have proposed a detailed plan and baseline monitoring program to be initiated for the Environmental and Social Impact Assessment and eventual mine permitting for the Project.

**Birimian enters into MOU with large Chinese lithium battery manufacturer**

In December 2016, the Company entered into a Memorandum of Understanding (MOU) with Chinese lithium battery manufacturer Far East First New Energy Co ("First Battery"). The terms of the non-binding MOU contemplate cooperation with respect to mine development and potential financing for the Bougouni Lithium Project, commencing with an offtake for up to the lower of 200,000 tons per annum or 25% of total annual production of +6% spodumene concentrate.

**Letter of Intent for sale of the Bougouni Lithium Project**

Subsequent to the end of the quarter, Birimian confirmed that it had received and subsequently executed a Letter of Intent (LOI) relating to the purchase of a 100% interest in the Bougouni Project by Shandong Mingrui Group (Mingrui) for a total consideration of \$AUD 107.5 million in cash. The LOI was subject to a number of conditions, including Mingrui providing a \$AUD 10.75 million cash deposit to Birimian by 20 January 2017. Due to increasing regulatory protocols on the transfer of funds from China, the deposit was not received when due, and the LOI agreement was terminated.

Birimian continues to progress discussions with parties interested in securing supply of chemical grade lithium concentrate, as well as companies interested in developing strategic relationships on the project level.

**WEST AFRICAN GOLD PROJECTS**

**Massigui Gold Project, Mali**

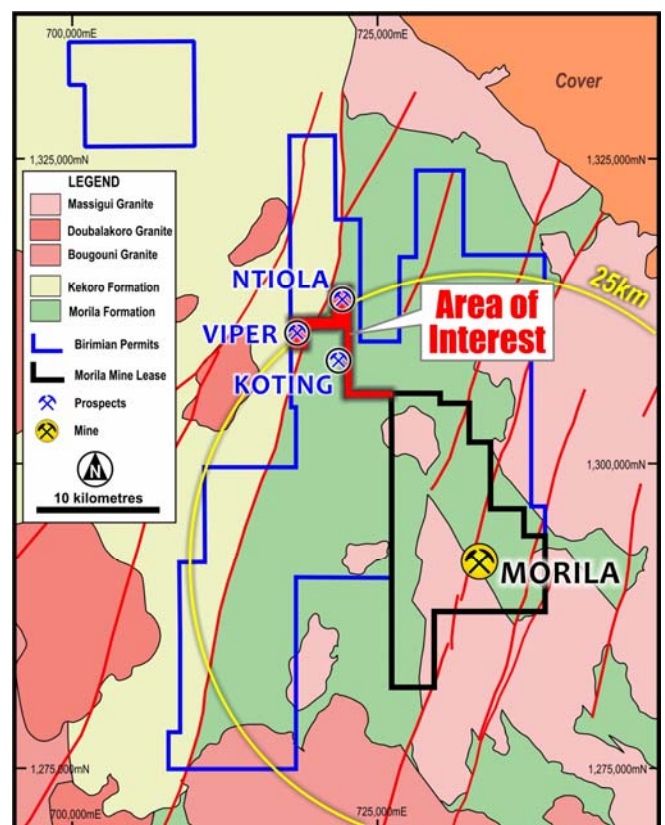
**Option agreement to commercialise Massigui Gold Project**

In November 2016, Birimian entered into an agreement with Societe de Mines de Morila ("Morila") that could lead to the commercialisation of several of its gold deposits within its Massigui Gold Project in Southern Mali.

This agreement provides a potential low risk, low cost processing solution for these deposits, whilst the Company retains the significant upside potential for further gold discoveries on the broader project area.

Under the terms of the agreement, Morila have been granted a six month option to acquire an Area of Interest within the Massigui Gold Project. Upon exercise, Morila will make a payment of \$1,000,000 and Birimian will retain a royalty of up to 4% of gold produced from the Area of Interest.

The Massigui Gold Project surrounds the Morila mine lease on three sides and covers strike extensions of the highly prospective geological sequence that hosts the 7Moz Morila Gold Deposit (Figure 4). Birimian's targeted drilling programs have resulted in significant



**Figure 4.** Massigui Gold Project. Randgold-Morila Area of Interest shown in red.

gold discoveries at Ntiola, Viper and Koting Prospects; situated approximately 25km to the north-west of the underutilised Morila Mine Treatment Plant, operated by Randgold.

The Area of Interest (see Figure 4) comprises 11km<sup>2</sup> and covers the gold deposits at Ntiola and Viper. The balance of the project area (~740km<sup>2</sup>) is controlled 100% by Birimian. The early stage, high potential, Koting Prospect and other highly prospective areas are not included within the Area of Interest. The Company intends to undertake further low cost exploration and drilling activities at these locations.

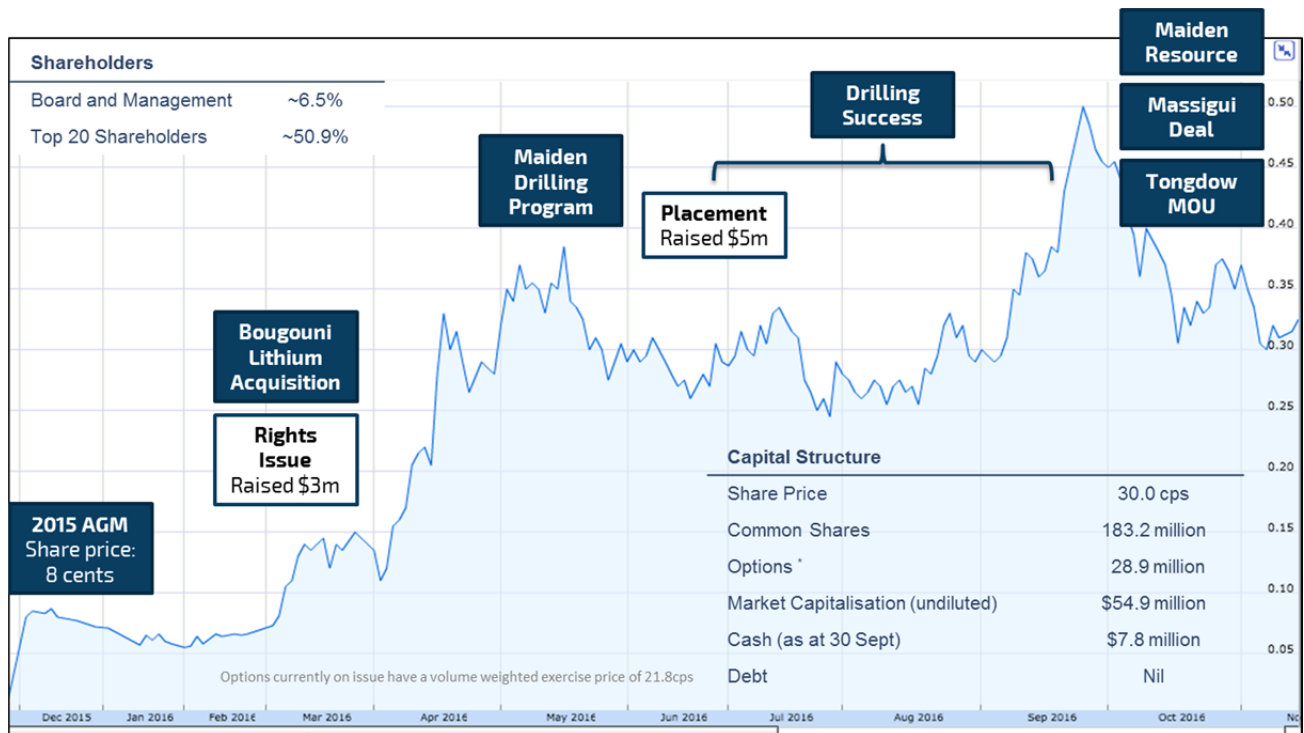
**Dankassa Gold Project, Mali**

The Sanankoroni permit was renewed during the quarter. The Dankassa Gold Project now covers 470km<sup>2</sup> of gold prospective ground in southern Mali (see Figure 1). With the Company focused on the Bougouni Lithium Project, no field work was conducted at Dankassa during the quarter.

**CORPORATE**

The company is well funded, with a cash balance in excess of A\$7.5 million at the end of the quarter. During the quarter, 300,000 unlisted options over fully paid shares expired.

The Company held its Annual General Meeting on 25 November 2016, reflecting upon a year of outstanding success and significant share price appreciation. All resolutions were passed at the meeting, including the re-election of Mr Winton Willesee as Chairman of the Company.



From Annual General Meeting Presentation, 25 November 2016.

For further information contact:

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**Schedule of Tenements held at 31 December 2016**

Country	Project	Tenement Reference	Activities
Mali	Dankassa	09/0590	See operations report
		13/3127	
		13/3124	
		11/2665	
		13/3125	
		16/3583	
	Massigui	14/2106	
		14/0390	
		13/3125	
		13/3128	
		13/3129	
		14/1705	
		000090	
	Bougouni	16/4763	
		002525	

**Competent Persons Declaration**

The information in this announcement that relates to exploration results is based on information compiled by or under the supervision of Kevin Anthony Joyce. Mr Joyce is Managing Director of Birimian Limited and a Member of the Australian Institute of Geoscientists. Mr Joyce has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results. Mr Joyce consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this announcement that relates to Mineral Resources is based on information compiled by or under the supervision of Mr. Matt Bampton, who is a Member of The Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Mr Bampton is a full-time employee of Cube Consulting Pty Ltd and has sufficient experience which is relevant to the styles of mineralisation and types of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results. Mr Bampton consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

**Previous Reported Results**

There is information in this announcement relating to previous Exploration Results at the Bougouni Project. The Company confirms that it is not aware of any other new information or data that materially affects the information included in the original market announcement, and that all material assumptions and technical parameters have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

**Forward Looking Statements**

Statements regarding plans with respect to the Company's mineral properties are forward looking statements. There can be no assurance that the Company's plans for development of its mineral properties will proceed as expected. There can be no assurance that the Company will be able to confirm the presence of mineral deposits, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of the Company's mineral properties.