

## Quarterly Activities Report

March 2017

### **Bougouni Lithium Project**

- ❖ Scoping Study confirms the outstanding potential of the high grade, bulk tonnage Goulamina Lithium Deposit
- ❖ Pre-Feasibility Study commenced and on track for completion in June 2017 quarter
- ❖ Upgraded Goulamina Mineral Resource of 27.8Mt at 1.42% Li<sub>2</sub>O, significantly expands contained lithia inventory (393,000t Li<sub>2</sub>O)
- ❖ Second phase +11,000 metre drilling program completed. Further resource category upgrades and extensions expected following inclusion of pending drill results in early May
- ❖ New high grade discovery at Sangar Zone
- ❖ Metallurgical test work results provide strong support for processing design contemplated in the Project Scoping Study

### **Massigui Gold Project**

- ❖ Diamond drilling program at high potential Koting Prospect. Assays pending
- ❖ Birimian retains 100% rights for exploration over broader area

### **Corporate**

- ❖ Mr James McKay and Mr Michael Langford appointed to the board. Mr Michael Langford resigned post quarter and Ms Gillian Swaby was appointed as a director.
- ❖ Cash on hand approximately A\$7 million

ASX Code BGS  
ACN 113 931 105

#### **COMPANY DIRECTORS**

James McKay  
**Chairman**

Kevin Joyce  
**Managing Director**

Gillian Swaby  
**Director**

#### **CONTACT DETAILS**

Principal & Registered Office  
Suite 9, 5 Centro Avenue  
Subiaco WA 6008

[www.birimian.com](http://www.birimian.com)  
[info@birimian.com](mailto:info@birimian.com)

T +61 8 9286 3045  
F +61 8 9226 2027

## **BOUGOUNI LITHIUM PROJECT**

The Bougouni Lithium Project (the “Project”) represents an exciting high-grade, bulk tonnage lithium project, comprising a large licence 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.

### **Resource drilling provides significant scope for mineral inventory expansions**

During the quarter a total of 90 holes for 11,483m of infill and extensional drilling were completed at Goulamina. This drilling was designed to expand the current resource, enhance modelled grade, and enable upgrades to resource classifications for detailed feasibility assessments.

Highly encouraging results from this phase of drilling include:

- 72m @ 1.56 %Li<sub>2</sub>O from 24m
- 59m @ 1.74 % Li<sub>2</sub>O from 4m
- 63m @ 1.69 % Li<sub>2</sub>O from 23m
- 46m @ 1.90 % Li<sub>2</sub>O from 24m
- 38m @ 2.08 % Li<sub>2</sub>O from 55m
- 27m @ 1.90 % Li<sub>2</sub>O from 44m
- 45m @ 1.77 % Li<sub>2</sub>O from 15m

Of particular significance was the discovery of a new mineralised pegmatite at Sangar Zone, situated to the south west of Main Zone. Highly promising drill intersections included:

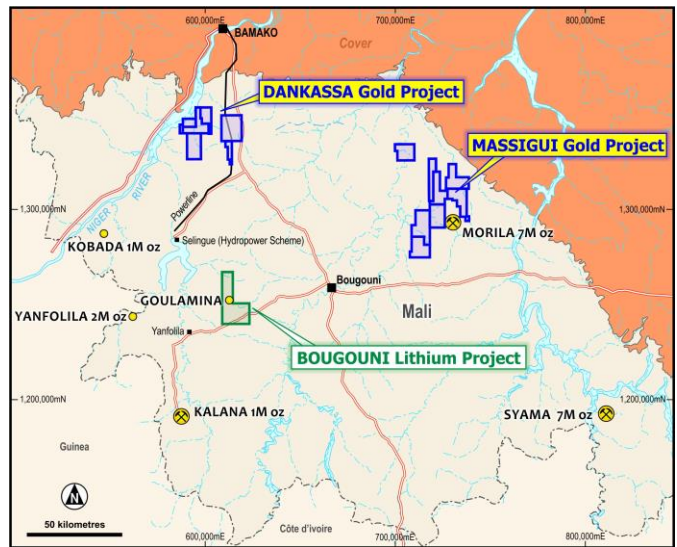
- 29m @ 1.65 % Li<sub>2</sub>O from 13m, and  
36m @ 1.87 % Li<sub>2</sub>O from 63m
- 26m @ 1.89% Li<sub>2</sub>O from 25m
- 32m @ 1.85 % Li<sub>2</sub>O from 45m, and  
26m @ 1.95 % Li<sub>2</sub>O from 80m

There is excellent potential to further expand the mineral inventory at Goulamina by undertaking additional drilling, particularly at the recently discovered Sangar Zone, where mineralisation is open along strike and at depth.

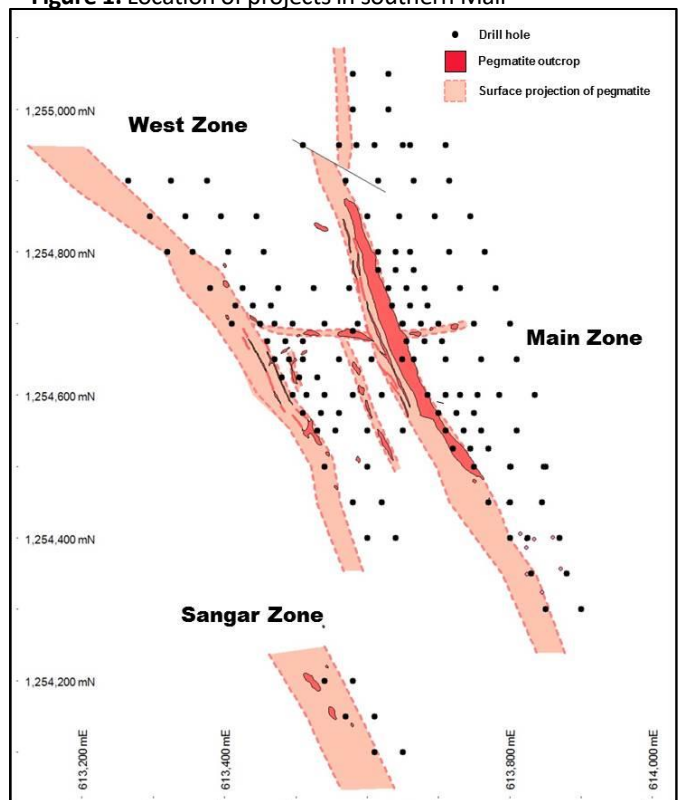
### **Upgraded Mineral Resource expands high grade lithium deposit**

An updated Mineral Resource estimate was announced on 14 March 2017. The estimated resource for the Goulamina deposit is **27.8Mt @ 1.42% Li<sub>2</sub>O for 393,000 tonnes containing Li<sub>2</sub>O**. This update nearly doubles the previous estimate for contained lithia and further confirms Goulamina as among the highest grade, hard rock lithium deposits of significant size globally today.

Cube Consulting (Cube) completed the updated Mineral Resource estimate, which included extensions at West Zone and the recently discovered Sangar Zone. Combined resources, estimated to Indicated and Inferred confidence levels, are shown in Table 1. The resource area at the Main Zone pegmatite was not re-modelled and remains unchanged from the maiden resource estimate (ASX: 27 October 2016).



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



**Figure 2. Goulamina Deposit - Plan view of lithium pegmatite and all drill collars.**

Mineral resources are defined by reverse circulation (RC) and diamond (DD) drilling. In total, 80 holes informed the resource model. A number of infill and extensional drill holes were not included in the estimate due to time constraints caused by slow assay turnaround. The Company expects to update the Goulamina resource again in May. It is anticipated that this resource update will include significant resource category upgrades based on improved confidence from recently completed infill drill holes at Main and West Zones.

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	-	-	-	-
	Sangar	-	-	-	-
<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	13,700,000	1.46	200,000	1.18
	Sangar	4,700,000	1.41	66,000	1.22
<b>INFERRED</b>	<b>TOTAL</b>	<b>21,600,000</b>	<b>1.42</b>	<b>306,000</b>	<b>1.14</b>
	<b>TOTAL</b>	<b>27,800,000</b>	<b>1.42</b>	<b>393,000</b>	<b>1.08</b>

**Table 1. Goulamina Mineral Resource classifications**

### Scoping Study leads to decision to commence Pre-Feasibility Study

On 31 January 2017 Birimian announced that the Scoping Study for the Bougouni Lithium Project (the Scoping Study) had confirmed the outstanding potential of the Project, leading to the decision to commence a Pre-Feasibility Study (PFS). Scoping Study results suggested that the Goulamina deposit will be amenable to low cost, open pit mining and staged processing plant development, benefiting from low mining strip ratios, high grade surface mineralisation, and the low cost operating environment in Mali. The PFS is on track to be completed during the June 2017 quarter.

The Company notes that the Scoping Study was a preliminary technical and economic study of the potential viability of the Bougouni Lithium Project. It was based on only preliminary technical and economic assessments of inherently low accuracy and is insufficient to support the estimation of Ore Reserves or to provide confidence to any economic development case at this stage. There is consequently no certainty that the conclusions of the Scoping Study will be realised. Approximately 40% of the Scoping Study Mineral Resource is in the Indicated category, with the remainder in the Inferred category. There is a low level of geological confidence associated with Inferred mineral resources and there is no certainty that further exploration work will result in the determination of Indicated or Measured Mineral Resources. Furthermore, there is no certainty that further exploration work will result in the conversion of Indicated and Measured Mineral Resources to Ore Reserves.

The Scoping Study evaluated at a high level the technical and potential economic viability of an open pit mine development at the Project's Goulamina deposit, based on the maiden Mineral Resource of 15.5Mt @ 1.48% Li<sub>2</sub>O. Various processing options were considered to optimise throughput capacity and recoveries, with consideration given to managing early stage potential cash flow and upfront capital costs. Mining and processing parameters were investigated at a spodumene concentrate selling price (6% Li<sub>2</sub>O concentrate) of US\$537 per tonne

The Scoping Study contemplated developing Goulamina as a 1 million tonnes per annum (Mtpa) high grade open pit mine to supply material to a dense media separation (DMS) plant (Stage 1) of contemporary design and envisages a transition of the processing plant to treat medium-grained material by DMS and flotation in later years (Stage 2). Subject to further detailed studies, the Project may deliver average annual production of approximately 190,000 tonnes of 6% Li<sub>2</sub>O concentrate over an initial 13-year Life of Mine (LOM). The scoping study estimates that the LOM cash cost will be US\$326 per tonne of concentrate.

The Scoping Study estimates capital costs (at a nominal accuracy of +/-30%) for the processing plant and associated project infrastructure at US\$83.4M, including a US\$10.9M contingency. The Initial start-up capital cost for Stage 1 has been estimated at US\$ 47.2M. Stage 2 capital cost is estimated at US\$36.2M, which may be funded by Stage 1 cash flow.

Subsequent to the end of the quarter, the Company reported results from the first phase of detailed metallurgical test work at Goulamina. Results are consistent with historical test work and provide support for the processing parameters contemplated in the Scoping Study.

These results are being used for the next phase of process flow sheet and engineering design for the PFS which remains on track to be completed during the June 2017 quarter.

The Company's environmental consultants have completed the next phase of on-the-ground studies at the Project and in the broader community. This work will facilitate engineering studies and site selection for critical infrastructure. The Environmental and Social Impact Assessment (ESIA) Terms of Reference were presented to relevant Government of Mali agencies on 13 April. This important milestone signals the commencement of the formal Environmental and Social Assessment process, which is expected to be fast-tracked for completion by January 2018.

## **WEST AFRICAN GOLD PROJECTS**

### **Massigui Gold Project, Mali**

In November 2016, Birimian entered into an agreement with Societe de Mines de Morila ("Morila") which granted Morila (and Randgold, as operator) a six-month option to acquire an Area of Interest within the Massigui Gold Project, situated in southern Mali.

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 3). Birimian's targeted drilling programs have resulted in significant gold discoveries at the Ntiola, Viper and Koting Prospects which are situated approximately 25km to the north-west of the under-utilised Morila Mine Treatment Plant, operated by Randgold.

The Morila Area of Interest (see Figure 3) comprises 11km<sup>2</sup> and covers the gold deposits at Ntiola and Viper. The balance of the project area (607km<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.

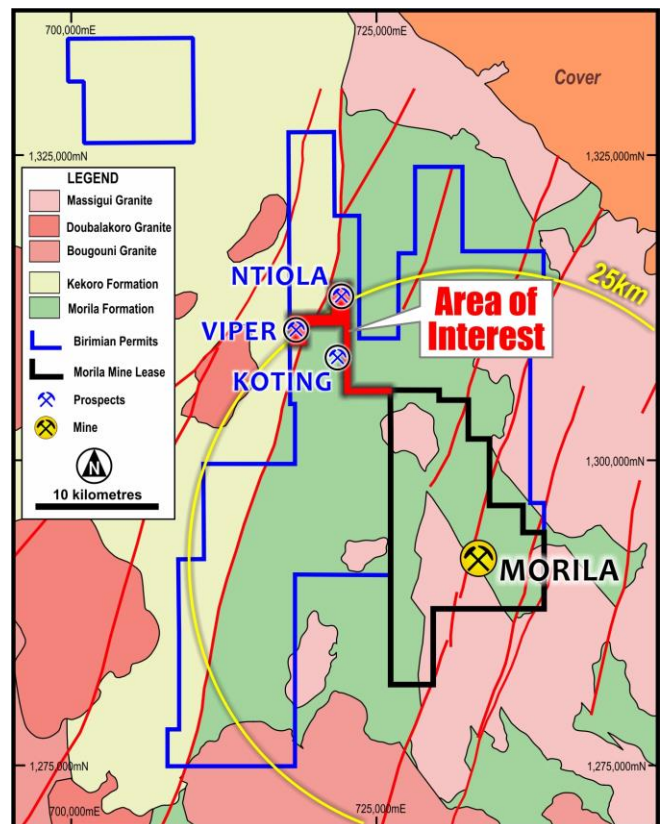
The agreement provides a potential low risk, low cost processing solution, whilst the Company retains the significant upside potential for further gold discoveries on the broader project area.

### **Koting Prospect**

During the quarter, a program comprising 697m of diamond drilling was completed at Koting Prospect. Limited previous drilling at Koting has returned ore grade intersections over very broad widths. The scale and tenor of the mineralisation identified in drilling conducted by the Company suggests there is excellent scope to discover a large gold orebody at depth within the prospect area (see Figure 3). Notable Reverse Circulation drill results (ASX 2 December 2014 and 1 July 2015) include;

- 51m @ 1.17 g/t Au from 33m  
including 20m @ 1.64 g/t Au and 6m @ 2.27 g/t Au
- 26m @ 1.54g/t Au from 20m
- 23m @ 1.44 g/t Au, including 9m @ 2.41 g/t Au

In contrast to the other gold deposits defined nearby at Ntiola and Viper, the mineralisation at Koting has an anomalous easterly dip which is more analogous to the up-dip portion of the 7Moz Morila deposit, located 25km to the south-east. The width of



**Figure 3.** Massigui Gold Project. Randgold-Morila Area of Interest shown in red.

mineralisation at Koting is up to 60m on section and has been defined by RC drilling to a depth of approximately 130m from surface (open at depth), and over >250m of strike.

Drill core is currently being logged and processed for sampling. Results will be reported as they come to hand.

#### **Dankassa Gold Project, Mali**

The option to purchase the low priority Baga permit, within the Dankassa Project, was terminated during the quarter. The Kourouba East permit has expired. The Dankassa Gold Project now covers 199.7km<sup>2</sup> of gold prospective ground in southern Mali (see Figure 1). As the Company is focused on the Bougouni Lithium Project, no field work was conducted at Dankassa during the quarter.

#### **CORPORATE**

The Company is adequately funded at this time, with a cash balance of approximately A\$7 million at the end of the quarter.

During the quarter Mr Winton Willesee and Mr Hugh Bresser stepped down from the Board. Mr James McKay and Mr Michael Langford were appointed as directors, with Mr McKay assuming the role of Non-Executive Chairman. Subsequent to the end of the quarter, Mr Langford resigned from the board and Ms Gillian Swaby was appointed as a director.

**THIS ANNOUNCEMENT BY THE COMPANY DOES NOT END THE TRADING HALT IN THE COMPANY'S SECURITIES CURRENTLY IN PLACE.**

#### **Schedule of Tenements held at 31 March 2017**

Country	Project	Tenement Reference	Activities
Mali	Dankassa	13/3127	See operations report
		13/3124	
		13/3126	
		16/3583	
	Massigui	14/2106	
		14/0390	
		13/3125	
		13/3128	
		13/3129	
		14/1705	
		000090	
	Bougouni	16/4763	
		002525 (001762)	

#### **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.*

*The Company confirms all the material assumptions underpinning the Scoping Study referenced in this announcement continue to apply and have not materially changed.*