

High Lithium and Tantalum Grades from Spodumenberget, Sweden

CORPORATE DIRECTORY

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FAST FACTS

Issued Capital:	370.4m
Options Issued:	31.1m
Market Cap:	\$18.5m
Cash:	\$14.4m

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– For Immediate Release –

Highlights:

- **First exploration fieldwork results received from Spodumenberget, one of the projects in Novo Lítio's (NLI) Swedish lithium portfolio**
- **High grade results from surface sampling include 2.77% Li₂O, 7,820ppm Ta and 653ppm Sn from spodumene-bearing pegmatites**
- **Swedish projects complement NLI's main-focus core Portuguese assets and its strategy to be a sustainable supplier of lithium carbonate/hydroxide to the European markets**
- **NLI already has a track record of discovering, defining and advancing two new JORC classified lithium Mineral Resources within a year**
- **Interpretation of the results under way to produce drill targets.**

NOVO LÍTIO LTD ("Novo Lítio", "NLI" or "the Company") (ASX: NLI, FRANKFURT: ORM), is pleased to provide shareholders with an update on its Swedish lithium projects. Whilst there have been delays at Sepeda in Portugal linked to recent tenure issues with the vendor, the Company is confident of its position and its ability to enforce its rights at Sepeda, and has continued to progress work in Portugal and elsewhere, including at its highly prospective projects in Sweden.

In Sweden, surface sampling at Spodumenberget has yielded high grade lithium values, including 2.77% Li₂O, from spodumene-bearing rock chip samples. Mapping has shown the presence of pegmatite outcrops over a strike length of 340m, and up to 100m wide, with surrounding areas masked by glacial cover. Interpretation of the results is under way to define drill targets. In addition to spodumene, the programme was successful in defining outcrops of tin-tantalum bearing pegmatites. Two samples contain very high grades of Ta-Sn, with peak values of 7,820ppm Ta and 653ppm Sn, and the Company intends to explore this potential in more detail in future programs.

Novo Lítio CEO David Frances commented: *"We are very pleased with the results from Spodumenberget, which represents only a fraction of our lithium development pipeline in Scandinavia. We are in the process of interpreting the results to define drill targets at Spodumenberget, while continuing to assess our tenements. While we continue to work through issues linked to the transfer of title from the vendor of Sepeda in Portugal, we are pleased to be able to report on ongoing progress to shareholders regarding work at our other projects keeping with our goal to supply lithium from Europe for Europe."*

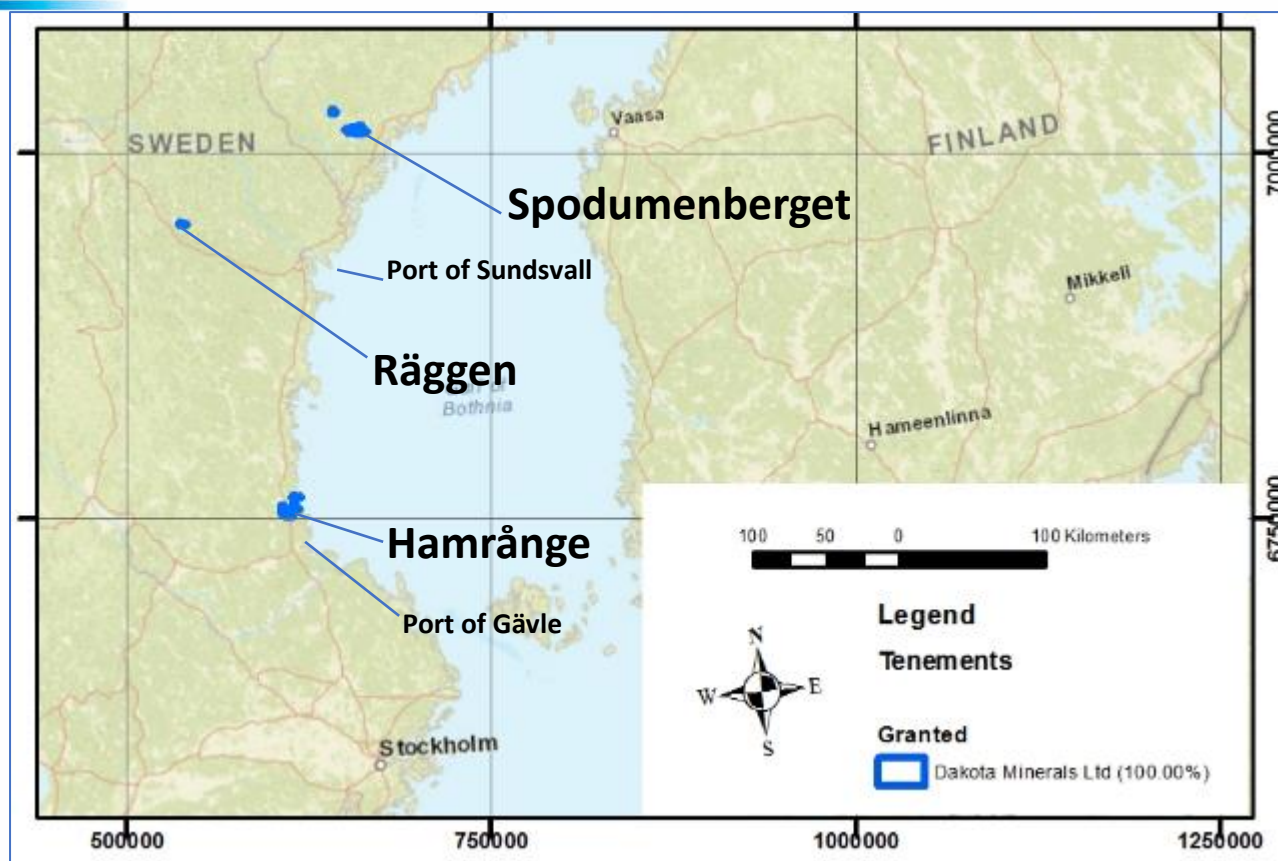


Figure 1: Location of Novo Lítio's lithium projects in Sweden.



Figure 2: Pegmatite outcrop at Spodumenberget

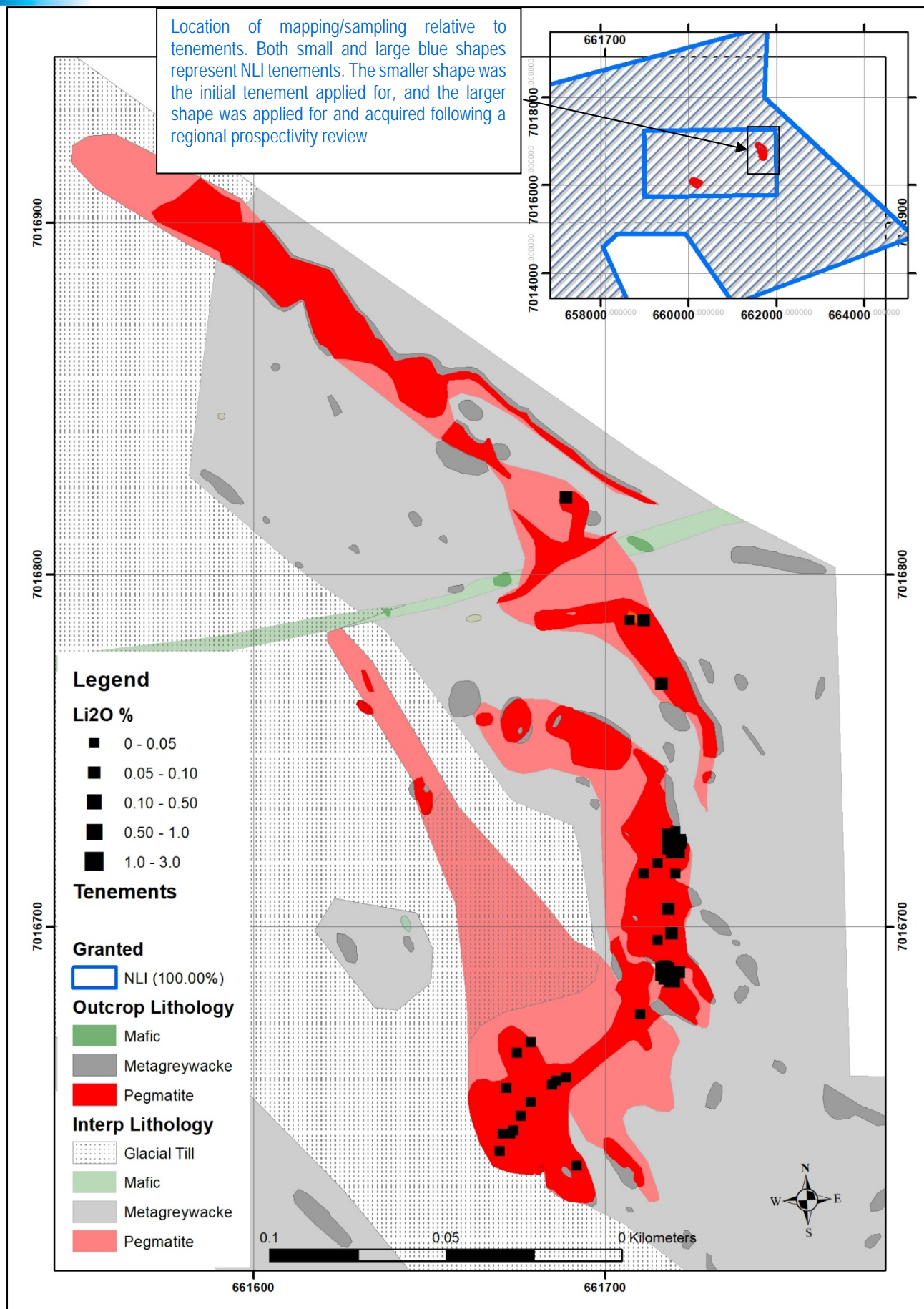


Figure 3: Mapping and sampling, East Spodumenberget

Programme Details

GeoVista AB and Insight Geology Pty Ltd carried out mapping and sampling at Spodumenberget, an area within the Company's granted Dyngselet-1 tenement. The aim was to define, map and sample lithium-bearing pegmatites within the area, which from historical LKAB reports¹, yield samples > 1% Li₂O. The programme was successful in defining an area 340m x 100m, composed of outcrops of spodumene and tin-tantalum bearing pegmatites surrounded by glacial cover. The outcropping pegmatites, host metasediments and small mafic dyke crop out on a low hill within widespread glacial till which obscures the possible north-western and south-eastern strike extent of the pegmatite bodies, making it difficult to assess the true size and extent of pegmatite and mineralization at the prospect. Based on outcrop geology and structural data, the target is a cluster of two to three zoned LCT pegmatites dipping south-east at 15° to 60° and likely plunging to the NW at a moderate angle (<50°). The pegmatites are sigmoidal in shape, certainly structurally controlled and appear to be syn- to late- tectonic.

A total of 41 samples were taken, which together with 4 QAQC samples were dispatched to ALS Global in Sweden for analysis. The results are shown in Appendix One. Seven samples of spodumene-bearing pegmatite were collected from two areas within the pegmatite, averaging 1.28% Li₂O. Four of these samples returned > 1% Li₂O with peak values of 2.77 % Li₂O and 1.88% Li₂O. Two samples within the pegmatite contain very high grades of Ta, Nb, Sn and Cs, with peak values of 7820 ppm Ta, 653 ppm Sn and 509 ppm Cs.

The pegmatite appears to be zoned, with lithium, tantalum and tin-rich areas. Work is under way to define drill targets at Spodumenberget, based on mapping and sample results.



Figure 4: Spodumene crystals visible in outcrop at Spodumenberget

¹ NLI Announcement, 08/05/2017

Novo Lítio - Sweden

NLI's Spodumenberget prospect is located in central Sweden, in the locality of Örnköldsvik, in Västernorrland County. Historical reconnaissance work from the 1980s by the LKAB indicated surface lithium results² of up to 0.788% Li, equivalent to 1.69% Li₂O, related to spodumene-bearing pegmatite mineralisation over a large area³. Cassiterite and columbite were also noted. These observations have now been confirmed by the work carried out by GeoVista AB. In addition, the Company has gained a large portfolio of tenements in the Hamrånge region of Gävle Municipality in Gävleborg County, and in the Räggen region of the Bräcke Municipality, Jämtland County, in Central Northern Sweden. Both areas contain mapped LCT-type pegmatites prospective for lithium mineralisation, and will be assessed in the coming months.

Competent Person Statement

The information in this report that relates to Exploration Results is based on information compiled by Dr Francis Wedin, who is a Member of the Australasian Institute of Mining and Metallurgy. Dr Wedin is a full-time employee of NLI and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a competent person as defined in the 2012 Edition of the "Australasian Code for reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves" (JORC Code). Dr Wedin consents to the inclusion in this report of the matters based upon the information in the form and context in which it appears. All material assumptions and technical parameters underpinning the JORC 2012 reporting tables in the relevant market announcements referenced in this text continue to apply and have not materially changed.

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David J Frances

President & CEO

² Report no. S85-06. LKAB Exploration Reports, available from Geological Survey of Sweden. Uppföljande prospektering i området mellan Näsåker och Örnköldsvik, Västernorrlands län, 1985

³ Report no. S85-28. LKAB Exploration Reports, available from Geological Survey of Sweden. Rare element pegmatites in Västernorrland, Sweden. 1985

Appendix 1: Rock-Chip Sampling Results

Permit	East	North	Sample ID field	Lab sample nr	Lithology observed	Li2O %	Ta ppm	Sn ppm	Cs ppm
Dyngselet_1	661670	7016636	SL17002	DY001	PEG	0.01	8.6	74	41.3
Dyngselet_1	661671	7016641	SL17003	DY002	PEG	0.04	20.1	54	42.9
Dyngselet_1	661674	7016642	SL17004	DY003	PEG	0.03	6.6	72	38.9
Dyngselet_1	661676	7016646	SL17005	DY004	PEG	0.02	9	49	39
Dyngselet_1	661679	7016650	SL17006	DY005	PEG	0.02	8.4	115	74.2
Dyngselet_1	661685	7016655	SL17007	DY006	PEG	0.01	4.9	80	28.8
Dyngselet_1	661686	7016656	SL17008	DY007	PEG	0.02	12.6	133	46.6
Dyngselet_1	661689	7016657	SL17009	DY008	PEG	0.01	18.9	69	90.1
Dyngselet_1	661673	7016641	SL17010	DY010	PEG	0.00	9.5	64	32.6
Dyngselet_1	661692	7016632	SL17016	DY011	PEG	0.01	47.3	143	110.5
Dyngselet_1	661679	7016667	SL17017	DY012	PEG	0.00	6.3	53	57.6
Dyngselet_1	661719	7016685	SL17018	DY013	PEG	0.58	12.4	83	55.2
Dyngselet_1	661718	7016686	SL17019	DY014	PEG	1.38	3.4	74	35.7
Dyngselet_1	661717	7016687	SL17020	DY015	PEG	1.88	2.3	92	26.8
Dyngselet_1	661721	7016687	SL17022	DY016	PEG	0.10	23	79	61.4
Dyngselet_1	661710	7016675	SL17023	DY017	PEG	0.02	100.5	83	99
Dyngselet_1	661717	7016689	SL17026	DY018	PEG	0.02	15.3	46	35.9
Dyngselet_1	661719	7016698	SL17027	DY020	PEG	0.06	74.2	126	77.6
Dyngselet_1	661718	7016705	SL17030	DY021	PEG	0.10	66.5	365	204
Dyngselet_1	661719	7016723	SL17031	DY022	PEG	1.72	13.3	75	72.8
Dyngselet_1	661720	7016722	SL17032	DY023	PEG	2.77	9.3	93	49.5
Dyngselet_1	661717	7016688	SL17033	DY024	PEG	0.41	3	72	56.1
Dyngselet_1	661720	7016723	SL17036	DY025	PEG	0.11	13.3	102	100
Dyngselet_1	661721	7016724	SL17037	DY026	PEG	0.25	31.2	78	55.7
Dyngselet_1	661722	7016724	SL17038	DY027	PEG	0.03	20.8	43	28.7
Dyngselet_1	661720	7016727	SL17039	DY028	PEG	0.02	12.8	27	74.7

Permit	East	North	Sample ID field	Lab sample nr	Lithology observed	Li2O %	Ta ppm	Sn ppm	Cs ppm
Dyngselet_1	661718	7016726	SL17040	DY030	PEG	0.06	32.3	54	88.6
Dyngselet_1	661715	7016718	SL17041	DY031	PEG	0.03	12.4	89	78.2
Dyngselet_1	661711	7016715	SL17042	DY032	PEG	0.02	18.3	58	66.5
Dyngselet_1	661711	7016787	SL17043	DY033	PEG	0.05	2380	469	373
Dyngselet_1	661707	7016787	SL17043B	DY034	PEG	0.05	7820	653	509
Dyngselet_1	661689	7016822	SL17044	DY035	PEG	0.09	269	552	341
Dyngselet_1	660118	7016111	SL17051	DY036	PEG	0.00	6.1	40	67.4
Dyngselet_1	660171	7016019	SL17053	DY037	PEG	0.00	102	163	55.7
Dyngselet_1	660256	7016046	SL17056	DY038	PEG	0.00	54.8	54	23.5
Dyngselet_1	660216	7016023	SL17057	DY040	PEG	0.01	46.3	193	49.5
Dyngselet_1	661672	7016654	S2	DY041	PEG	0.01	6.2	101	25.8
Dyngselet_1	661675	7016664	S3	DY042	PEG	0.02	2.8	49	37.6
Dyngselet_1	661715	7016696	S4	DY043	PEG	0.02	5.2	66	77.9
Dyngselet_1	661720	7016715	S5	DY044	PEG	0.02	20.7	105	57.3
Dyngselet_1	661716	7016769	S6	DY045	PEG	0.06	121	381	325

PEG - Pegmatite

Appendix 2: Spodumenberget - JORC Table 1

Section 1: Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</i>	Rock-chip samples, from available pegmatite outcrop. Sampling was sometimes limited by the glaciated nature of the outcrop. Glaciation creates smooth flat and rounded outcrops which are difficult to rock chip sample.
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used</i>	Samples typically weighed 1-3kg, to allow sufficient sample material to ensure sample representivity from each location.
	<i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information</i>	All sampling information is listed in Appendix One in this report.
Drilling techniques	<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>	No drilling has been conducted.
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed</i>	No drilling has been conducted.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples</i>	No drilling has been conducted.
	<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>	No drilling has been conducted.
Logging	<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>	All samples were geologically logged prior to dispatch to the laboratory. A short description of each one is included in Appendix One.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</i>	Logging of rock chip samples has been primarily qualitative in nature.
	<i>The total length and percentage of the relevant intersections logged</i>	All samples were logged.
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	No drilling has been conducted.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i>	Samples were jaw-crushed so that 70% passes -6mm, pulverised and split at ALS Global Laboratories, prior to analysis.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	Rock chip samples are considered representative and appropriate sampling techniques for coarse-grained pegmatites during reconnaissance stage exploration. The preparation of the samples at the laboratory prior to analysis is an industry-standard process for this type of mineralisation.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	Laboratory duplicates and certified reference material (CRMs) were used in the batch of analysed rock chip samples.
	<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>	Due to the heterogeneity of pegmatite mineralisation, sampling was conducted with a reasonable radius (1m) around each point, to ensure that each sample was representative.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	The 1-3kg sample sizes are considered sufficient for the coarse-grained nature of the pegmatite being sampled.

Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	<p>The samples sent to ALS Laboratories are logged in a tracking system, weighed, dried, fine crushed to better than 70% -2mm, split off up to 250g and the split pulverized to better than 85% passing 75 micron.</p> <p>The samples are then analysed using sodium peroxide fusion with an ICP-AES finish for lithium analysis, and lithium-borate fusion with ICP-MS for a full multi-element suite. These techniques are suitable for identifying ore grade lithium, tantalum, tin, caesium and any other elements which may be of interest in the pegmatite.</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>	No downhole geophysical surveys were conducted and no geophysical tools were used to determine any elemental concentrations.
	<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>	Laboratory duplicates and certified reference material (CRMs) were used in the batch of analysed rock chip samples. All samples were within acceptable levels of accuracy and precision.
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	The sample results were verified by Insight Geology Pty Ltd, who provide geological consultancy services to the Company.
	<i>The use of twinned holes.</i>	No drilling has been conducted, due to the early stage nature of the prospect.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	All field data is collected manually in the field, then entered and stored electronically at the Company's offices.
	<i>Discuss any adjustment to assay data.</i>	Li was adjusted to Li ₂ O by multiplying by 2.153. No other adjustment or data calibration was carried out.
Location of data points	<i>Accuracy and quality of surveys used to locate drillholes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	Historical maps and sampling points have been geo-referenced, using reference coordinates available on the maps.
	<i>Specification of the grid system used.</i>	The grid system used is SWEREF 99TM.
	<i>Quality and adequacy of topographic control.</i>	No topographic surveys have been carried out, due to the early stage nature of the exploration prospect.
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	Data spacing was dependent on available outcrops for sampling, with spacing average around 1-20m between samples.
	<i>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.</i>	No estimation procedure has been applied, due to the early stage nature of the deposit.
	<i>Whether sample compositing has been applied.</i>	No drilling or sample compositing has been carried out or applied.
Orientation of data in relation to geological structure	<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>	Sampling was carried out across the strike of the pegmatite, where possible to do so with the availability of outcrop, to prevent any bias from occurring. Sampling along specific spodumene rich horizons was conducted in 2 areas to assess the grade along the strike of the mineralized zone.
	<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>	No drilling completed
Sample security	<i>The measures taken to ensure sample security.</i>	Samples were collected in the field by GeoVista geologists, then transported by car and delivered in person to ALS Global's laboratories in Sweden.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	No audits or reviews have been carried out, due to the early stage nature of exploration at the prospect.

Section 2: Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding	<p>The Swedish tenements and interests, which Novo Lítio owns 100%, comprise:</p> <ul style="list-style-type: none"> granted exploration licences Dyngselet-1, Dyngselet-2, Skorped-1 (Spodumenberget prospect),

	royalties, native title interests, historical sites, wilderness or national park and environmental settings.	<ul style="list-style-type: none"> Hamrånge nr 100, 101, 102, 103, 104 (Hamrånge prospect), and Räggen nr 100 (Räggen prospect). <p>All tenements are in good standing.</p>
	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 tenements are in good standing, and currently there are no known impediments to operating in the project areas.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	Multiple visits to the area Spodumenberget area, then known as Dyngselet, were conducted by LKAB, a Swedish state mining company, during the period 1984-85. Mapping and sampling of the pegmatites was conducted by LKAB, as referred to in this text. The maximum recorded figure from sampling was 0.788 Li or 1.69% Li ₂ O.
Geology	Deposit type, geological setting and style of mineralisation.	Novo Lítio's Spodumenberget prospect is located in the Sindensjö/Hinnsjön area, about 100km NE of the port of Sundsvall. LCT-type pegmatites occur with a large area (15sqkm) in this district, and are hosted within amphibolite and metagreywacke units.
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"> 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. 	No drilling has been conducted.
Data aggregation methods	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.	No averaging techniques were used.
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated.	Aggregation issues are not material in this type of deposit. No metal equivalent values were used.
Relationship between mineralisation widths and intercept lengths	<p>These relationships are particularly important in the reporting of Exploration Results.</p> <p>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</p> <p>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').</p>	No mineralisation widths or intercept lengths have been reported.
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	Refer to diagrams in the body of text.
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	All exploration results have been reported in Appendix One.
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.	All meaningful and material exploration data has been reported.
Further work	The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological	Analysis of results, drill target definition, drilling.

	interpretations and future drilling areas, provided this information is not commercially sensitive	
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