

ASX ANNOUNCEMENT

31 July 2019

Quarterly Activities Report for June 2019 Closing the loop on the energy metal cycle.



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ASX: LIT

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HIGHLIGHTS

Raw materials

- Youanmi maiden Vanadium resource announced of 185 Mt @ 0.33% V₂O₅.
- Vanadium metallurgical samples sent to ANSTO for test work
- Youanmi RC drilling intersects multiple lithium mineralised intervals
- Drilling completed subsequent to the end of the period
 - Shallow lithium target 3km by 200 metres
 - 54 RC holes for 2,455 metres on the 3km
 - 47 of these holes contain visible lithium mineralisation
 - First lithium assay results to be reported in August
- Medcalf prospect at Lake Johnston WA - spodumene pegmatite swarms with very low in deleterious elements identified

Recycling

- Lithium Australia invests further equity into Envirostream Australia recycling alliance.
- Next stage process development for recycled battery material underway at ANSTO. Pilot plant design commenced.
- Lithium phosphate to be generated from spent LIBs.
- Cathode powder to be regenerated using lithium recovered from spent LIBs.

Lithium chemicals

- Improved lithium refining techniques by the production of lithium phosphate.
- The use of lithium phosphate streamlines the production of lithium-ion battery cathode materials.

Lithium-ion batteries

- Lithium Australia forms alliance with leading battery producer DLG Battery Co Ltd
- VSPC cathode powders continue test program at DLG Battery Co Ltd
- Business plan completed for battery supply into the Australian market
- Soluna Australia Pty Ltd incorporated as battery distribution business

Media contacts

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Development Strategy

Lithium Australia NL (ASX: LIT) has advanced its aim of developing an integrated business that capitalises on all major sectors of the lithium supply chain – and in so doing closes the loop on the energy metal cycle.

Key elements of the Company's strategy include the following.

- Sourcing appropriate raw materials.
- Advancing its recycling technology to recover valuable metals, including lithium and cobalt, from spent batteries, protecting the environment in the process.
- Advancing its 100%-owned SiLeach[®] and LieNA[®] technologies, both of which are capable of converting mine waste to lithium chemicals.
- Employing its VSPC technology to convert lithium chemicals into lithium-ion battery cathode materials of superior quality.

Lithium Australia's growing resource base complements its developing processing technologies, in that the latter can breathe new life into stranded assets. A prime example of this is the Sadisdorf deposit in Germany (an abandoned tin mine), in which the tin mineralisation is associated with lithium micas that, prior to the advent of SiLeach[®], were of no commercial value. The SiLeach[®] process, which is capable of recovering lithium from these micas, adds significant value to this asset.

During the quarter, production of cathode materials, a lucrative element in the lithium-ion battery production cycle, continued at the Company's 100%-owned VSPC pilot plant, located in Brisbane. Samples of cathode powder produced there are currently being evaluated by international battery manufacturers including the DLG Battery Company (China).

By integrating its SiLeach[®] and VSPC processes, Lithium Australia aims to establish a pathway from mine waste to lithium-ion battery manufacture. In the December 2018 quarter, Lithium Australia achieved a world first by creating a lithium-ion battery from waste rock; the performance of that battery compared very favourably with those manufactured using battery-grade lithium carbonate.



Raw materials

Exploration activities for the quarter

At present, Lithium Australia's preferred supply model is to obtain lithium minerals from the waste streams (historical dumps and tailings) or discharge from currently operating mines; however, other supply opportunities are also being evaluated. Lithium micas, often associated with tin, tantalum, tungsten lithium and certain types of clay minerals, are prime targets. So too is the discharge of fine spodumene generated during the production of hard rock lithium concentrates.

Youanmi lithium project, Western Australia

On 2 October 2018 Lithium Australia announced it had signed an option to acquire the prospective Youanmi lithium/vanadium project, located in the Murchison District in Western Australia (Figure 1). The project, consisting of three exploration licences in the Archean Yilgarn Block, is approximately 450 km northeast of Perth.

Youanmi hosts abundant lithium pegmatites intruding layered mafic rocks, with the latter also hosting vanadium-rich magnetite horizons. Recent field reconnaissance at, and detailed mapping of Youanmi, by Lithium Australia, have so far confirmed the presence of lepidolite-bearing pegmatites at surface over a strike length of 2.5 km. The pegmatites occur as clusters, with individual pegmatite outcrops up to 400 m long and 50 m wide on surface. Rock sampling has confirmed lithium values of up to 4.2% Li_2O , as well as anomalous caesium and tantalum values.

Figure 1 shows the extent of the lepidolite-bearing pegmatites discovered and mapped to date. Detailed mapping of the pegmatites and pegmatite dykes was carried out on a scale of 1:1000. The pegmatites consist of quartz-feldspar-mica and range from fine-grained to very coarse.

This first pass RC drilling program (Figure 2) has been successfully completed subsequent to the end of the quarter. Drilling was focused on a swarm of lepidolite (lithium mica) pegmatites outcropping over a length of 3 km and width of 200 m designed to test down-dip extensions of outcropping lithium bearing pegmatites which contain abundant surface mineralization. The program was completed as follows:

- 54 RC holes drilled for 2,455 metres
- 47 holes contain lepidolite

The mineralization style is ideally suited to processing with Lithium Australia's 100% owned SiLeach[®] process.

Lithium Australia expects to be in a position to report assay results shortly. Information from the drill program will be used to assess the resource potential and geometry of the pegmatites.

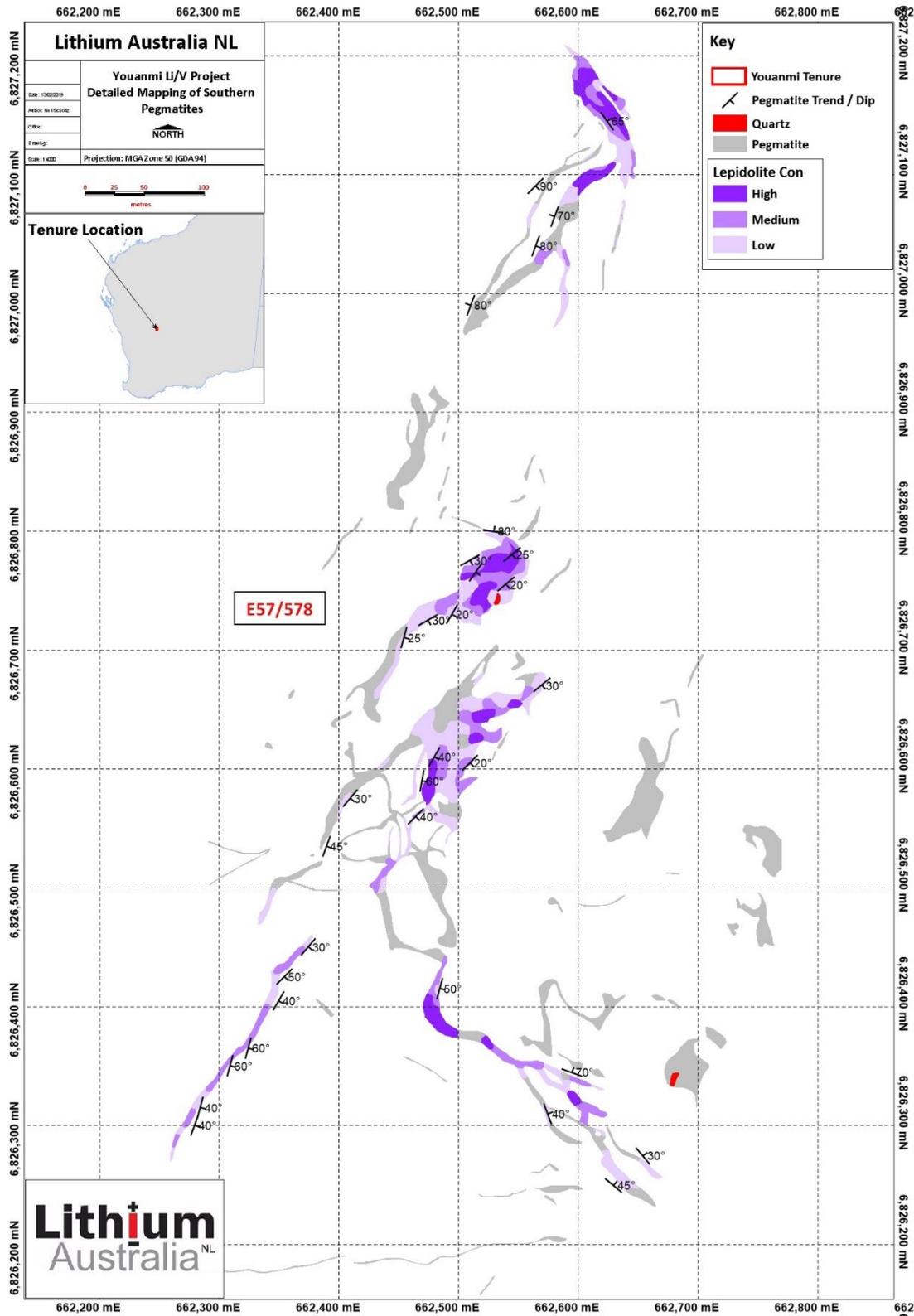


Figure 1. Detailed mapping of southern Youanmi pegmatites – lepidolite content was visually mapped and ranked as low, medium or high.



Figure 2: RC Drilling at Youanmi

Vanadium

Lithium Australia's Youanmi agreement covers not only lithium pegmatites but also a large, layered mafic complex that hosts abundant vanadiferous magnetite. Much of the complex is weathered, resulting in vanadium-bearing minerals that are acid-soluble (i.e. roasting is not required to recover the vanadium). On [22 May 2019](#) the Company announced a maiden inferred resource of 185 Mt @ 0.33% V₂O₅. A drilling programme, now completed, has generated samples for metallurgical testing. Samples have been dispatched for chemical analysis in Perth and metallurgical testing at the Australian Nuclear Science and Technology Organization (ANSTO) Sydney, Australia.

Sadisdorf lithium project, Germany

During the quarter, Lithium Australia progressed its pre-feasibility study (PFS) over [the Sadisdorf lithium project](#), in order to investigate the viability of producing cathode materials for lithium-ion batteries from that location. The prefeasibility study will include further resource modelling, sampling and SiLeach[®] processing. It is anticipated lithium will be recovered as a phosphate which will be the feed material for the manufacture of lithium ferro phosphate cathode powders using the Company's 100% owned VSPC cathode powder technology.

Medcalf lithium prospect, Western Australia

[In 2018 and 2019](#), Lithium Australia identified lithium pegmatite swarms at the Medcalf prospect, part of its Lake Johnston project. Medcalf lies within the highly lithium-prospective Yilgarn Craton, which is attracting investment from some of the world's largest lithium companies – it hosts the major lithium deposits at Earl Grey (Kidman



Resources and SQM), Mt Marion (NeoMetals, Gangfeng and Mineral Resources) and Mt Catlin (Galaxy).

Fieldwork undertaken at Medcalf in January 2019 ([see ASX announcements dated 5 February 2019 and 15 April 2019](#)) confirmed that the outcrop of a spodumene-enriched pegmatite swarm is 450 m long and 100 m wide, trending in a northwest-southeast direction. That fieldwork included a geochemical soil-sampling programme over an area 1,300m by 700m. Rock-chip sampling of the pegmatite outcrops indicated that these were primarily spodumene-bearing rock. Drilling to test this target is warranted. Approvals will be sought from the appropriate authorities, with drilling expected to commence in Q4, 2019.

Recycling

Lithium Australia recognises its partner, Victorian-based Envirostream Australia Pty Ltd (Envirostream) as the national leader in the primary reprocessing of lithium-ion batteries. At present, Envirostream operates the only facility in Australia for shredding such batteries, producing a powder containing critical metals. That powder is then exported to South Korea for refining.

Lithium Australia is continuing its research into the chemical processing of both alkaline and lithium-ion batteries and aims to complete the design of its flow sheet for the hydrometallurgical recovery of metals from the latter battery types later this year.

The Company is accelerating its R&D programme for the recycling of LIBs and has awarded the next module of test work to ANSTO. The programme is treating recycled battery material produced in Australia and will finalise a practical metallurgical flow sheet for the recovery of all battery metals from spent LIBs, including lithium. Design of the pilot plant has commenced. Most of the world's recyclers fail to recover lithium from the batteries, so this is significant. The processes being developed will recover the lithium as lithium phosphate, which can then be used directly in the regeneration of LFP cathode materials or converted to lithium hydroxide should market conditions demand such a product.

Lithium Australia recently increased its equity in Melbourne-based LIB battery recycler Envirostream Australia Pty Ltd ([announced 20 June 2019](#)). That equity investment has facilitated planning for an increase in processing capacity. With critical items of equipment already delivered, a plant upgrade to a design capacity of 1000tpa has commenced. This placed Envirostream in a strong support position for the national roll-out of a stewardship programme for all batteries and Victoria's ban on consigning spent batteries to landfill.



Moreover, an extra 50 collection points have been added to those already established by Envirostream. This expansion has materialised through partnerships with LG Chem and Milwaukee, among others.

Lithium chemicals

The Company has developed a number of extraction processes, which, when combined with its patented VSPC cathode powder production technology, allow the production of cathode powders directly from lithium phosphate, without the requirement of an intermediate lithium hydroxide or carbonate. This potentially reduces the number of process steps required to generate cathode active materials used in LIBs.

Patent applications have been lodged for various parts of the lithium phosphate precipitation and refining process and the Company has been advised that the means by which this has been achieved is novel and thus eligible to receive patent protection.

However, a broader global market for lithium hydroxide is very robust and to capitalize on this opportunity, as lithium hydroxide commands a premium on lithium carbonate, LIT has been investigating the conversion of lithium phosphate directly to lithium hydroxide. Test work has been initiated at ANSTO, with vendor assistance for this unit process.

LIT has also developed a cheap and simple means of removing impurities from lithium phosphate to improve quality and consistency of product. This refining process is also subject to patent applications. Test work at ANSTO, has demonstrated orders of magnitude reduction in impurities such as sodium, potassium and sulfur. This refining step is equally applicable to lithium chemicals produced by the Company's SiLeach[®] or LieNA[®] technologies.

The Company continues to advance the development of LieNA[®], a caustic digest technology that provides an alternative to the thermal conversion of spodumene concentrates for the production of lithium chemicals. The LieNA[®] technology was recently presented at the AusIMM International Lithium and Battery Metals Conference 2019 held in Perth. A preliminary feasibility study has been commenced targeting the optimisation of leach, impurity removal and product recovery process conditions.



Lithium-ion Batteries

VSPC cathode materials

VSPC Ltd, a wholly owned subsidiary of Lithium Australia, is based in Brisbane, Queensland. Comprising a comprehensive pilot plant and advanced laboratory and testing facilities, VSPC uses proprietary technology to create advanced cathode materials – a lucrative element in the battery production cycle – to produce lithium-ion batteries of superior quality.

The VSPC process begins with the cathode metals in solution, from which cathode nanoparticles are precipitated to produce the nanopowders used in the manufacture of lithium-ion batteries. Producing the metal solutions can involve the integration of SiLeach[®]-generated lithium phosphate (see above), thereby eliminating the need for the lithium carbonate or hydroxide conventionally used in the production of lithium-ion batteries. This has the potential to remove a number of steps in the battery manufacturing process and so reduce costs. Lithium Australia is currently investigating such seamless production of cathode materials from hard-rock minerals.

During the quarter, the production of cathode materials at VSPC was ongoing. Currently, international battery manufacturers in China, Japan and India are evaluating samples of the VSPC cathode powder.

DLG Battery Alliance

Lithium Australia/VSPC have entered into an agreement with the DLG Battery Company Ltd, a major Chinese battery manufacturer, to:

- commercialise VSPC cathode powders in China, and
- develop a battery distribution business in Australia.

Meanwhile, VSPC will amend its prefeasibility study for the production of LFP cathode powders, to better reflect the anticipated outcomes of the DLG Battery Company partnership. Testing of VSPC cathode materials continues at DLG Battery and customers in Japan and India, and initial results are expected in August.

Subsequent to the end of the reporting period, Soluna Australia Pty Ltd was incorporated as the vehicle for the distribution of energy management systems, in particular, the Soluna[™] range of battery products Manufactured by the DLG Battery Company.



Soluna™ power banks are available in sizes from residential storage through to industrial units and bespoke designs for special applications. The components of the battery packs are modular and can be expanded as required without limitation.



The Soluna™ power banks will be available in a choice of nickel-cobalt-manganese (NCM) and lithium ferro phosphate (LFP). LFP power banks have many superior attributes including:

- superior operational life (typically twice the number of duty cycles of other LIB chemistries);
- excellent safety credentials;
- high charge and discharge rates without thermal runaway (low fire risk);
- a wide operating temperature range (ideal for Australian ESS applications);
- low supply chain risk (no nickel or cobalt), and
- lower cost, in that readily available materials are used (no nickel or cobalt).

Lithium Australia is a great advocate of LFP batteries, and through its wholly owned subsidiary, VSPC Ltd is working with the DLG Battery Company which has been testing commercial format cells manufactured with VSPC cathode materials. The companies aim to commercialize the VSPC cathode powder in China and if successful VSPC will become a preferred supplier of cathode materials to the DLG Battery Company.



Corporate

The Arena Investors, LP convertible note facility was repaid during the quarter (see LIT announcement dated 3 June 2019).

Lithium Australia successfully completed a renounceable rights issue offered on the basis of 1 new share for every 6 shares held at \$0.06 per share under a prospectus lodged with ASIC on 11 June 2019. Rights Issue closed on 28 June 2019 and the Company has received \$2,747,524 from shareholders and new investors.

Conclusion

Lithium Australia aspires to 'close the loop' on the energy metal cycle by ensuring an ethical and sustainable supply of those metals to the battery industry. To that end, the Company has not only assembled a portfolio of lithium projects and alliances but also developed hydrometallurgical extraction processes designed to convert *all* lithium silicates (including mine waste) to lithium chemicals. Subsequently, those chemicals will be used to produce advanced components for the lithium-ion battery industry. The final step in closing the loop involves recycling spent batteries and e-waste to recover the energy metals within. Through this unity of resources and innovation, Lithium Australia seeks to vertically integrate lithium extraction and processing.

Competent Persons' Statement: Medcalf lithium prospect

The information contained in the report that relates to Exploration Results, together with any related assessments and interpretations, is based on information compiled by Mr Peter Spitalny on behalf of Mr Adrian Griffin, Managing Director of Lithium Australia NL. Mr Spitalny is a member of the Australasian Institute of Mining and Metallurgy and has sufficient experience relevant to the styles of mineralisation under consideration, and to the activity he has undertaken, to qualify as a Competent Person. Mr Griffin is a member of the Australasian Institute of Mining and Metallurgy and has sufficient experience relevant to the style of mineralisation under consideration, and to the activity being reported, to qualify as a Competent Person as defined under the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Griffin consents to the inclusion in the report of the matters based on Mr Spitalny's data in the form and context in which it appears. The Company is not aware of any new information or data that materially affects the information in this report and such information is based on the information compiled on behalf of Mr Griffin.

Competent Person's Statement – Youanmi lithium prospect

The information in this report that relates to exploration results, together with any related assessments and interpretations, is based on information compiled by Mr Adrian Griffin on behalf of Lithium Australia NL. Mr Griffin is a member of the Australasian Institute of Mining and Metallurgy and has sufficient experience relevant to the styles of

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mineralisation under consideration, and to the activity undertaken, to qualify as a Competent Person, as defined in the *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 edition)*.

Mr Griffin consents to the inclusion in the report of the matters based on the information in the form and context in which it appears. Lithium Australia is not aware of any new information or data that materially affects that contained herein.

Competent Person's Statement – Youanmi Vanadium Project

The information in this report as it relates to Mineral Resources is based on information compiled by John Doepel, who is a member of the Australasian Institute of Mining and Metallurgy. Mr Doepel has sufficient experience in mineral resource estimation relevant to the style of mineralisation and type of deposit under consideration 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 Doepel consents to the inclusion in this announcement of the information in the form and context in which it appears.

Forward-looking statements

This report contains forward-looking statements. Forward-looking statements are subject to a variety of risks and uncertainties beyond the Company's ability to control or predict, which could cause actual events or results to differ materially from those anticipated in such forward-looking statements.

Details of mining tenements as at quarter ended 30 June 2019

ASX Listing Rule 5.3.3

Tenement ID	Name	Location	State	Interest
E09/2168	Yinnietharra	Gascoyne	WA	100%
E09/2191	Thomas River	Gascoyne	WA	100%
E09/2200	Mount James 2	Gascoyne	WA	100%
E09/2201	Mount James 1	Gascoyne	WA	100%
E09/2203	Mount James 3	Gascoyne	WA	100%
E27/562	Gindalbie	Gindalbie	WA	100%
E45/4660	Hillside 3	Pilbara	WA	100%
E45/4766	Moolyella	Pilbara	WA	100%
E57/978	Youanmi	Murchison	WA	100%
E57/1049	Youanmi	Murchison	WA	100%
E57/1056	Youanmi	Murchison	WA	100%
E63/1777	Lake Johnson	Dundas	WA	100%
E63/1805	Mt Day	Dundas	WA	100%
E63/1806	Mt Day A	Dundas	WA	100%
E63/1807	Mt Day B	Dundas	WA	100%
E63/1808	Mt Day C	Dundas	WA	100%
E63/1809	Lake Johnson	Dundas	WA	100%
E63/1866	Lake Johnson	Dundas	WA	100%
E63/1870	Lake Johnson	Dundas	WA	100%
E63/1903	Lake Johnson	Dundas	WA	100%
E70/4690	Greenbushes	Greenbushes	WA	100%
E70/4777	Greenbushes	Greenbushes	WA	100%
E70/4778	Greenbushes	Greenbushes	WA	100%
E70/4888	Greenbushes A	Greenbushes	WA	100%

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Tenement ID	Name	Location	State	Interest
E70/4889	Greenbushes B	Greenbushes	WA	100%
E70/4890	Greenbushes C	Greenbushes	WA	100%
E70/5023	Bridgetown	Stanifer	WA	100%
E70/5024	Boyup Brook	Stanifer	WA	100%
E70/5024	Boyup Brook	Stanifer	WA	100%
E70/5025	Boyup Brook	Stanifer	WA	100%
E70/5032	Manjimup	Stanifer	WA	100%
E70/5036	Nannup	Stanifer	WA	100%
E70/5047	Nannup	Stanifer	WA	100%
E70/5198	Mt Lawrence	Mt Lawrence	WA	100%
E74/0543	Ravensthorpe	Ravensthorpe	WA	100%
E77/2279	Lake Seabrook	Yilgarn	WA	100%
E77/2484	Lake Seabrook	Yilgarn	WA	100%
ELA30897	Angers	Bynoe	NT	100%
EL 6212	Dudley 1 Sa	Kangaroo Island	SA	100%
EL 6213	Dudley 2 Sa	Kangaroo Island	SA	100%
EPM 26252	Cape York 1	Cape York	QLD	100%
EPM 26253	Cape York 2	Cape York	QLD	100%
EPM 26254	Cape York 3	Cape York	QLD	100%
EPM 26255	Cape York 4	Cape York	QLD	100%
EPM 26257	Cape York 5	Cape York	QLD	100%
EPM 26395	Amber 3	Amber	QLD	100%
EPM 26733	Croydon	Croydon	QLD	100%
M15/1809	Coolgardie	Coolgardie	WA	80% ⁴
P15/5574	Coolgardie	Coolgardie	WA	80% ⁴
P15/5575	Coolgardie	Coolgardie	WA	80% ⁴
P15/5576	Coolgardie	Coolgardie	WA	80% ⁴
P15/5625	Coolgardie	Coolgardie	WA	80% ⁴
P15/5626	Coolgardie	Coolgardie	WA	80% ⁴
P15/5629	Coolgardie	Coolgardie	WA	80% ⁴
P15/5738	Coolgardie	Coolgardie	WA	80% ⁴
P15/5739	Coolgardie	Coolgardie	WA	80% ⁴
P15/5740	Coolgardie	Coolgardie	WA	80% ⁴
P15/5741	Coolgardie	Coolgardie	WA	80% ⁴
P15/5742	Coolgardie	Coolgardie	WA	80% ⁴
P15/5743	Coolgardie	Coolgardie	WA	80% ⁴
P15/5749	Coolgardie	Coolgardie	WA	80% ⁴

⁴ Coolgardie Rare Metals Venture

International Projects

Electra Lithium Project (Tecolote, Tule, Agua Fria Concessions)	Mexico		54% ⁵
Sadisdorf Project, Saxony	Germany		100%
Hegelshoehe Project Saxony	Germany		100%
Eichigt Project, Saxony	Germany		100%

⁵ Electra Joint Venture - TSXV listed Infinite Lithium Corp (previously Alix Resources)

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Lithium Australia NL

ABN

29 126 129 413

Quarter ended ('current quarter')

30 June 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	–	–
1.2 Payments for		
(a) exploration and evaluation	(479)	(2,447)
(b) development	(224)	(1,407)
(c) production	–	–
(d) staff costs	(670)	(2,192)
(e) administration and corporate costs	(50)	(1,982)
1.3 Dividends received (see note 3)	–	–
1.4 Interest received	50	177
1.5 Interest and other costs of finance paid	(36)	(606)
1.6 Income taxes paid	–	–
1.7 Research and development refunds	319	1,851
1.8 Other (provide details if material)	-	-
1.9 Net cash from/(used in) operating activities	(1,090)	(6,606)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(17)	(389)
(b) tenements (see item 10)	–	–
(c) investments	(442)	(532)
(d) other non-current assets	(562)	(3,952)
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	–	–
(b) tenements (see item 10)	–	–
(c) investments	588	656
(d) other non-current assets	–	–
2.3 Cash flows from loans to other entities	–	–
2.4 Dividends received (see note 3)	–	–
2.5 Other (provide details if material)	–	–
2.6 Net cash from/(used in) investing activities	(433)	(4,217)
3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	–	–
3.2 Proceeds from issue of convertible notes	–	–

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
3.3	Proceeds from exercise of share options	–	–
3.4	Transaction costs related to issues of shares, convertible notes or options	–	–
3.5	Proceeds from borrowings	–	–
3.6	Repayment of borrowings	(5,000)	(5,000)
3.7	Transaction costs related to loans and borrowings	–	–
3.8	Dividends paid	–	–
3.9	Other	–	–
3.10	Net cash from/(used in) financing activities	(5,000)	(5,000)
4.	Net increase/(decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	9,133	18,429
4.2	Net cash from/(used in) operating activities (item 1.9 above)	(1,090)	(6,605)
4.3	Net cash from/(used in) investing activities (item 2.6 above)	(433)	(4,217)
4.4	Net cash from/(used in) financing activities (item 3.10 above)	(5,000)	(5,000)
4.5	Effect of movement in exchange rates on cash held	96	99
4.6	Cash and cash equivalents at end of period	2,706	2,706
5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	889	863
5.2	Call deposits	1,817	2,770
5.3	Bank overdrafts	–	–
5.4	Other (Term Deposit)	-	5,500
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,706	9,133
6.	Payments to directors of the entity and their associates		Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2		203
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3		–
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2		

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	–
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	–
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8.	Financing facilities available Add notes as necessary for an understanding of the position	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1	Loan facilities	–	–
8.2	Credit standby arrangements	–	–
8.3	Other (LITCEs)	42,462	–
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

LITCE – Current outstanding amounts on LITCE – 25 cent contributing shares

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	500
9.2	Development	120
9.3	Production	–
9.4	Staff costs	482
9.5	Administration and corporate costs	450
9.6	Other (provide details if material)	200
9.7	Total estimated cash outflows	1,752

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter (%)	Interest at end of quarter (%)
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	EL5960	Expired	100	0
		E70/4788	Surrendered	100	0
		E70/4789	Surrendered	100	0
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

COMPLIANCE STATEMENT

1. This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
2. This statement gives a true and fair view of the matters disclosed.

Sign here: 'Barry Woodhouse'
(~~Director~~/Company secretary)

Date: 31 July 2019

Print name: Barry Woodhouse

Notes

1. The quarterly report provides a basis for informing the market on how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by the ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.