

### COMPANY DETAILS

#### LITHIUM AUSTRALIA NL

ABN: 29 126 129 413

ASX CODE: LIT & LITCE

#### PRINCIPAL AND REGISTERED OFFICE

Level 1, 675 Murray Street  
West Perth WA 6005

P +61 8 6145 0288

F +61 8 9475 0847

#### POSTAL ADDRESS

PO Box 1088  
West Perth WA 6872

#### CORPORATE INFORMATION

(31 January 2018)  
343M Ordinary Shares  
133M Listed Partly Paid Shares  
21M Unlisted Options  
27M Performance Rights

#### BOARD OF DIRECTORS

**George Bauk**  
(Non-executive Chairman)  
**Adrian Griffin**  
(Managing Director)  
**Bryan Dixon**  
(Non-executive Director)

#### For further information, contact:

Lithium Australia NL  
Adrian Griffin (MD)

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## LITHIUM AUSTRALIA

### MOVING TO A VERTICALLY INTEGRATED LITHIUM COMPANY

#### HIGHLIGHTS

- Drilling begins at the Sadisdorf (Germany) lithium/tin project, LIT's joint venture with Tin International AG.
- 25 Mt maiden lithium Mineral Resource for Sadisdorf (10-year production potential at 25,000 tpa lithium carbonate equivalent).
- Cash on hand \$15.3 million as funding for large-scale pilot plant builds.
- LIT capitalises on a surge in the value of its investments as its funding strategy takes shape, including raising \$6.88 million via its controlled placement facility.
- LIT earns a majority share in its Electra joint venture with Infinite Lithium Corporation.
- LIT completes due diligence for the acquisition of the Very Small Particle Company ('VSPC', a cathode material business), with a positive outcome.
- VSPC cathode material shown to be of superior quality.
- LIT offers priority entitlement for BlackEarth Minerals NL (ASX: BEM) IPO.

#### SUBSEQUENT EVENTS

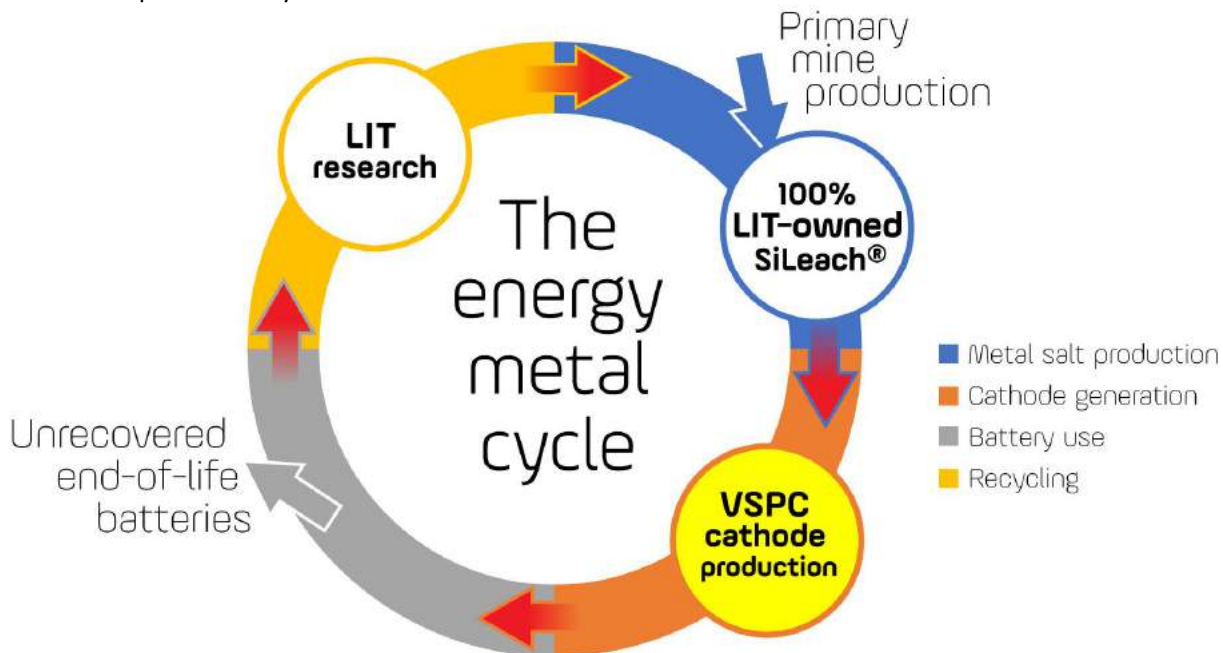
- Float of LIT subsidiary BEM opens at a premium and trades up to \$0.245, providing great value for LIT shareholders participating in the priority entitlement.
- 2 German exploration licences granted as LIT expands European strategy.
- Patent authorities confirm that LIT's 100%-owned SiLeach<sup>®</sup> process is novel, inventive and has industry application.

#### MEDIA CONTACTS

Adrian Griffin Lithium Australia NL 08 6145 0288 | 0418 927 658  
Kevin Skinner Field Public Relations 08 8234 9555 | 0414 822 631

## DEVELOPMENT STRATEGY

Lithium Australia NL (ASX:LIT) has advanced its goal of developing an integrated lithium company with the capability of capitalising on all major sectors of the lithium supply chain, and in so doing closing the loop on the lithium production cycle.



Key elements of LIT's strategy include the following.

- 100% owned SiLeach® technology is capable of converting mine waste to lithium chemicals;
- VSPC technology can convert lithium chemicals to superior lithium-ion battery cathode materials; and
- Recycling technology will recover valuable metals from spent batteries, closing the loop on the energy metal cycle.

LIT's technology development is supported by a growing resource base, which – coupled with its SiLeach® process – can breathe new life into otherwise stranded assets. A prime example is the association of tin with lithium mineralisation, as exemplified by the Sadisdorf deposit in Germany (see below).

Patent authorities have confirmed that SiLeach® is novel, inventive and has industry application. LIT has supported a significant research and development programme to achieve this goal and is now packaging the funding necessary to implement a large-scale pilot plant ('LSPP'). The latter, which is likely to be the world's first hydrometallurgical facility for the production of lithium chemicals from silicates, will be fed by mine waste to achieve the desired outcome.

## LARGE-SCALE SILEACH® PILOT PLANT

Engineering design studies and financial modelling have shown that LIT's proposed SiLeach® LSPP can produce lithium chemicals from waste micas on a competitive basis. Further, the studies have identified multiple avenues for more substantial capital and operating-cost reductions – key findings released during the quarter by LIT and CPC Project Design Pty Ltd. Design studies for the LSPP were based on annual production of 2,500 tonnes of lithium carbonate equivalent (~1/10th the scale of a full-scale production plant).

## QUARTERLY ACTIVITIES REPORT

December 2017

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At present, LIT's preferred supply model is that of obtaining lithium mica from the waste streams (historical dumps and tailings) of currently operating mines; that said, other supply opportunities are also being evaluated.

### CATHODE MATERIALS FROM VSPC

LIT has completed due diligence for its acquisition of advanced cathode material producer VSPC. With shareholder approval for the transaction obtained, the parties involved are completing legal documentation to give effect to the acquisition of the issued capital of VSPC.

VSPC owns the following:

- Proprietary processes for the production of lithium-ion battery cathode materials;
- A comprehensive pilot plant; and
- Advanced laboratory and testing facilities.

The VSPC technology, which can be adapted to the production of a wide range of cathode materials, is a simple and cost-effective means of producing such materials within an environment of superior quality control.

VSPC technology begins with cathode metals in a solution from which the cathode nanoparticles are precipitated. The VSPC process is compatible with solutions produced during the processing of hard-rock minerals to recover lithium carbonate or lithium hydroxide. Potentially, production of cathode materials direct from such solutions removes two steps involved in the manufacture of cathode materials, resulting in a revolutionary process that capitalises on the value-add generated by progressing from lithium chemicals to cathode materials. LIT is currently investigating the seamless production of cathode materials from hard-rock minerals using hydrometallurgical front-end processes, including both its own 100%-owned SiLeach® process and the LMax® process of Lepidico Ltd, for which LIT has exclusive rights in Western Australia.

### EXPLORATION ACTIVITIES – DECEMBER 2017 QUARTER

#### SADISDORF – GERMANY

Last year, LIT farmed into a joint venture ('JV') with Tin International AG (see [ASX announcement](#) 25 March 2017).

The style of mineralisation at Sadisdorf – an historic tin mine in Saxony, Germany, close to the border with the Czech Republic – is a greisen (altered granite). The tin mineralisation is enveloped by a pervasive lithium-mica alteration. Application of LIT's SiLeach® technology provides an opportunity to combine the value of the tin with that of the lithium, the latter contained within minerals otherwise considered waste.

#### Maiden lithium resource estimate completed

CSA Global, a leading international mining consultancy, has estimated an Inferred Mineral Resource at Sadisdorf of 25 million tonnes grading 0.45% Li<sub>2</sub>O (see Table 1 below), based on re-analysis and re-interpretation of historical drilling and underground sampling there. Reporting was in accordance with JORC 2012 ([ASX announcement](#) 7 December 2017).

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Classification	Domain	Tonnes (Mt)	Li (%)	Li <sub>2</sub> O (%)
Inferred	Inner greisen	17	0.22	0.47
Inferred	Outer greisen	8	0.20	0.43
<b>Inferred</b>	<b>Total</b>	<b>25</b>	<b>0.21</b>	<b>0.45</b>

*Note: the Mineral Resource was estimated within constraining wireframe solids defined above (with a nominal 0.15% Li cut-off). The Mineral Resource is reported from all blocks within these wireframe solids. Differences may occur due to rounding.*

*Table 1. Inferred Mineral Resource estimate for Sadisdorf.*

Resource modelling has confirmed that the dormant tin mine, which contains significant lithium mineralisation, can be considered a polymetallic deposit with value contributions from lithium, tin and tungsten. Moreover, application of Sileach® has the potential to provide significant by-product credits (e.g. potassium sulphate fertiliser, sodium silicate).

LIT has begun drilling at Sadisdorf to improve resource definition and progress to a resource upgrade.

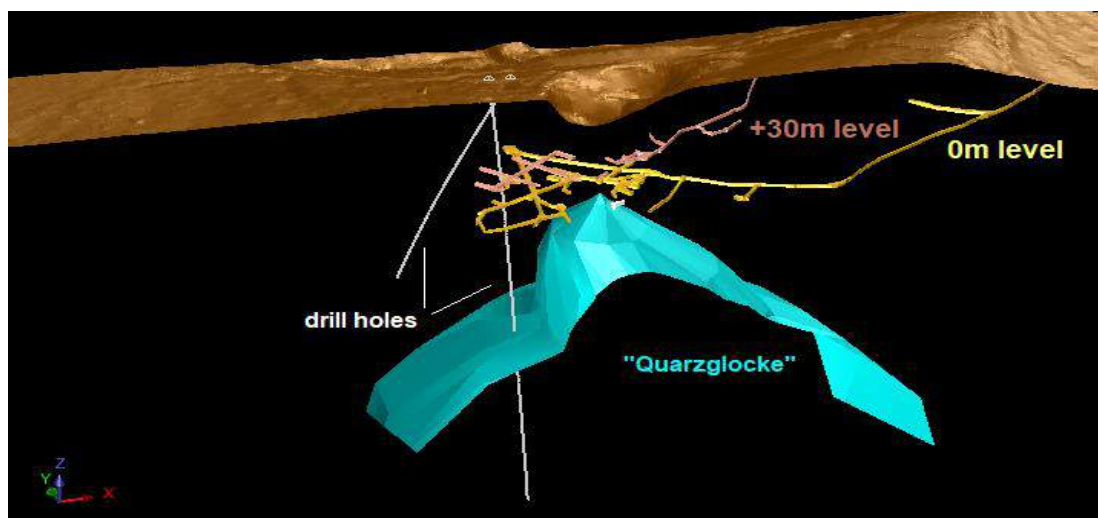


*LIT managing director Adrian Griffin observes preparations for drilling at Sadisdorf.*

A total of 460 m from two diamond core holes will duplicate selected historic drill holes, with large-diameter core (101 mm, SK6L) facilitating collection of samples for future metallurgical testwork. A 3D view of the planned drilling is shown below.

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*3D view of holes planned for the JV's maiden drilling programme.*

LIT's Sadisdorf JV partner Tin International AG previously defined a JORC (2012) tin Inferred Mineral Resource of 3.36 Mt grading 0.44% Sn (at a cutoff of 0.25% Sn).

Further exploration tenure has been granted to both Tin International, and Lithium Australia subsequent to the end of the quarter

### **ELECTRA PROJECT – SONORA, MEXICO**

LIT earned a 53% interest in the Electra lithium clay project (a JV with Infinite Lithium Corporation [previously Alix Resources Corporation], AIX-TSX: V) during the December 2017 quarter.

A drilling programme at the Agua Fria prospect completed in the September 2017 quarter, identified a prospective sedimentary sequence known as the 'West Flank' (see diagram below). This will be further investigated, in order to identify the controls of higher-grade lithium values close to surface, where open-pit mining can be undertaken with minimal waste stripping.

Metallurgical testing of material from the Agua Fria drilling has established the following.

- Acid leaching at 50° C achieves 99% extraction of lithium in only four hours;
- No roasting is required; and
- No expensive reagents are required.

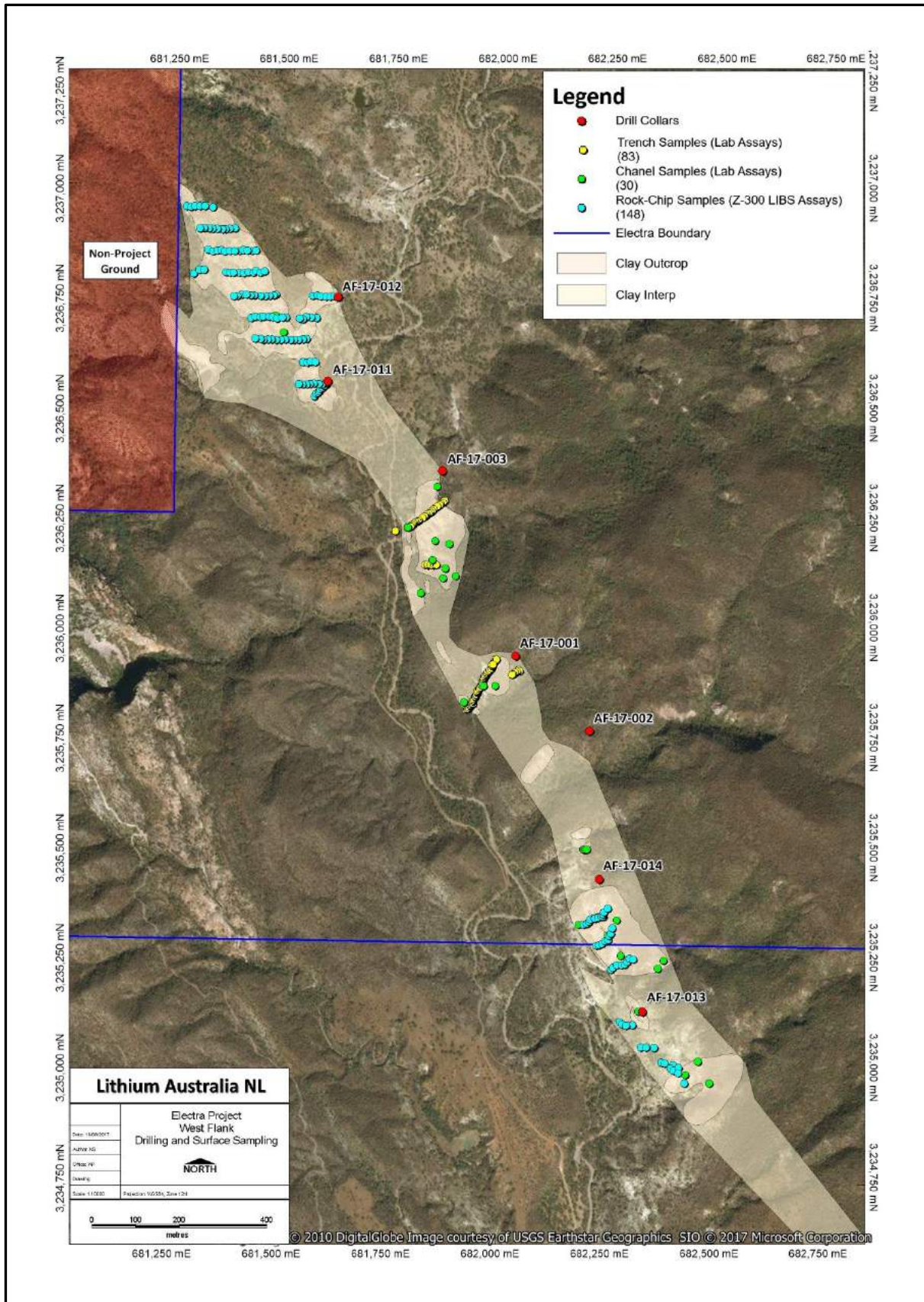
A large sample from Agua Fria has been delivered to Curtin University for further evaluation, with preliminary results to be reported during the March 2018 quarter.

In addition to their significant lithium values, the clay horizons at Agua Fria are anomalous in potassium, which may be recoverable as potassium sulphate, a major component of NPK fertilisers. There is, therefore, potential for a valuable by-product credit to the project's economics.



# QUARTERLY ACTIVITIES REPORT

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Electra Project – West Flank: drilling and surface sampling location map.

# QUARTERLY ACTIVITIES REPORT

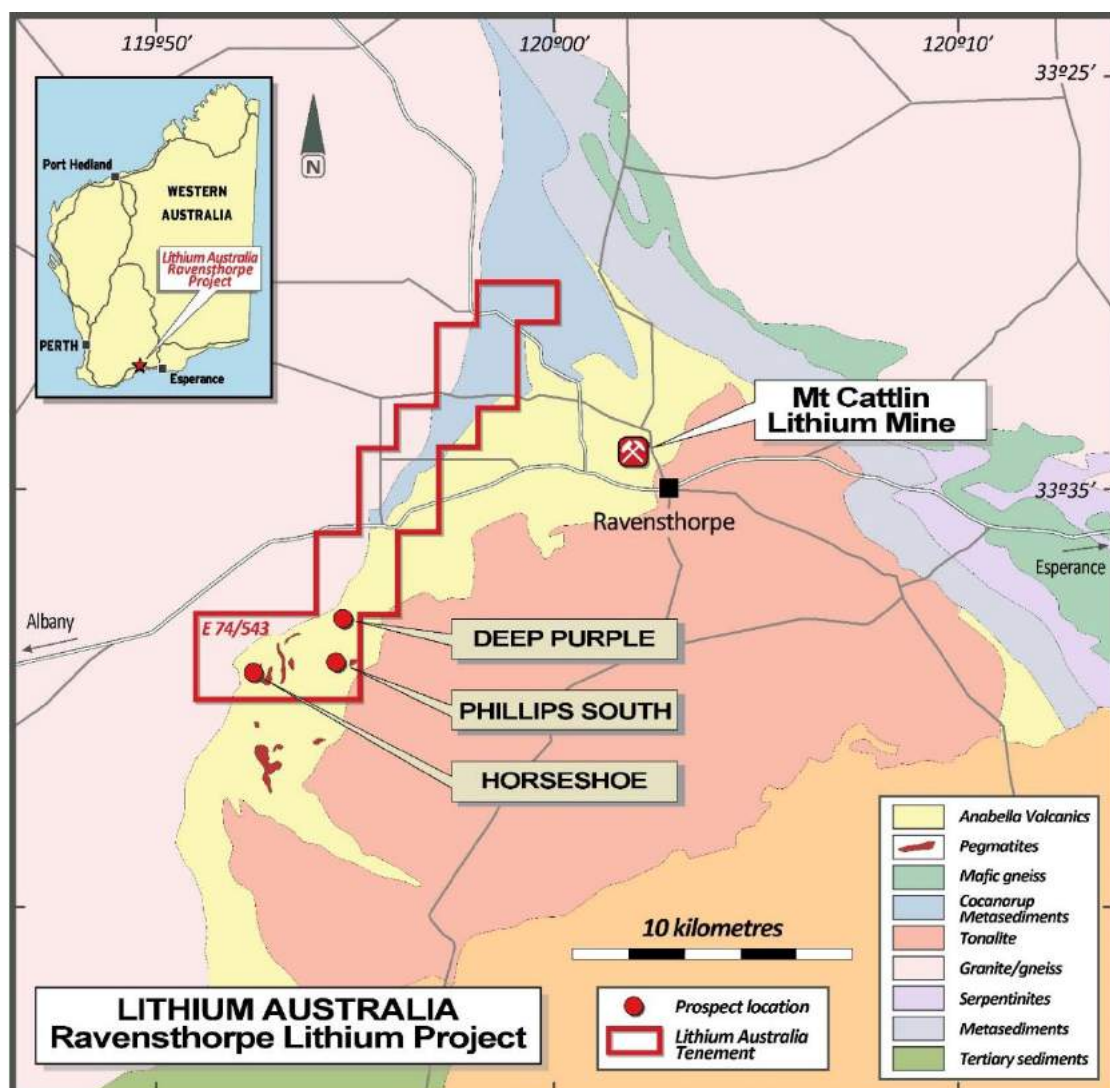
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## PILGANGOORA – WESTERN AUSTRALIA

LIT has a strategic alliance with Venus Metals Corporation (ASX: VMC). A field crew was despatched to undertake ground reconnaissance, mapping and sampling on VMC's Pilgangoora project in the Pilbara region of Western Australia.

## RAVENSTHORPE – WESTERN AUSTRALIA

Drilling of the Horseshoe Pegmatite within LIT's 100%-owned Ravensthorpe project, located 420 km east of Perth (see below), failed to define any economic lithium mineralisation. Costeaming completed on that pegmatite ([ASX release 26 May 2017](#)) showed that both lepidolite and spodumene mineralisation were irregular, forming discrete veins and pods. Further costeams are planned before any further drilling is undertaken at the Horseshoe Pegmatite, in order to better quantify the nature of the mineralisation.



Location of LIT's Ravensthorpe lithium project.

Wet weather adversely affected drill-rig access and terminated the drilling campaign prematurely. Subsequent heavy rains also delayed drilling planned for Deep Purple, a lepidolite pegmatite east of the Horseshoe Pegmatite.

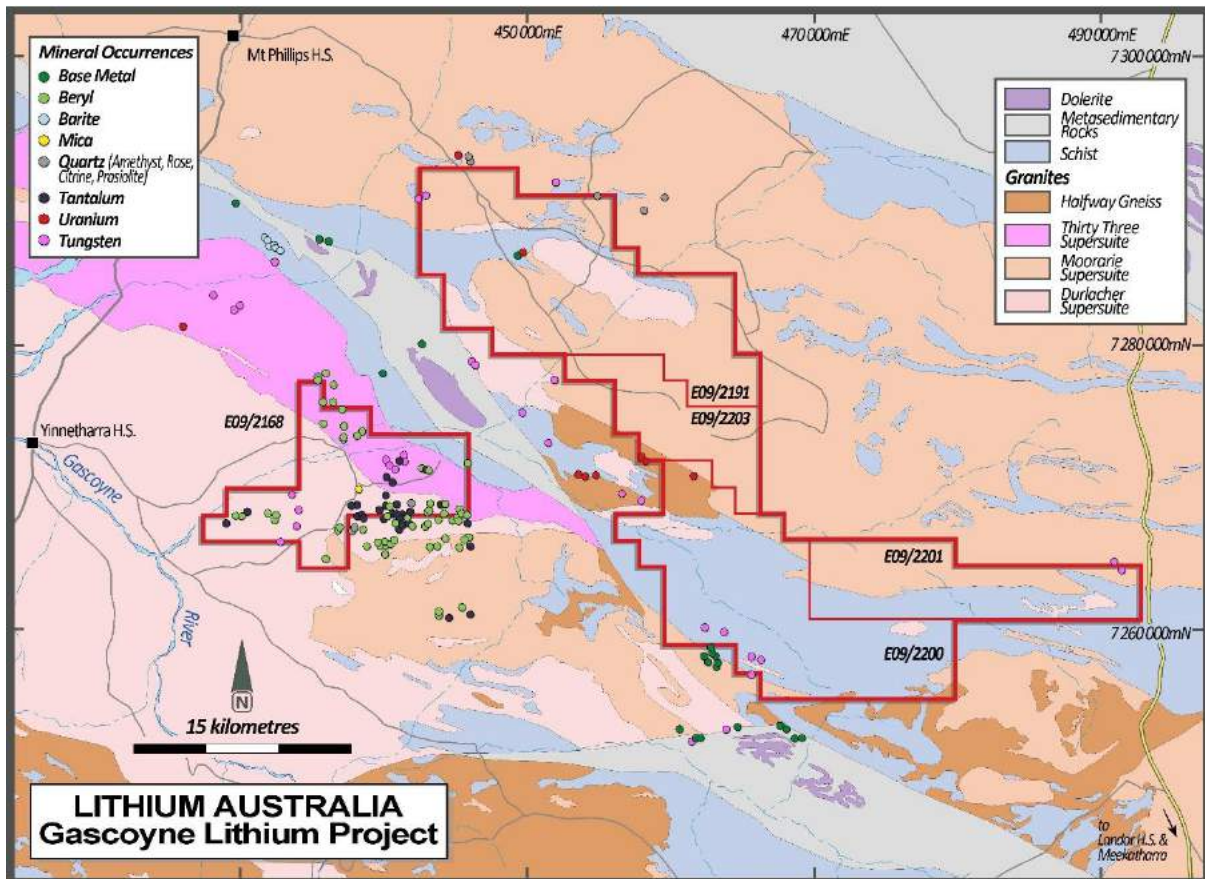


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## GASCOYNE – WESTERN AUSTRALIA

Geological reconnaissance and sampling has begun at LIT's 100%-owned Gascoyne project (see map below), 800 km north-northeast of Perth. The project, which lies along strike and adjacent to the Nardoo Pegmatite District, is spatially associated with peraluminous S-type granites of the Thirty Three and Durlacher Supersuites. These granites are interpreted to be the source of the pegmatites, as well as known lithium, rubidium, niobium, tantalum, tungsten and tin occurrences in the region.



Location of LIT's Gascoyne lithium project.

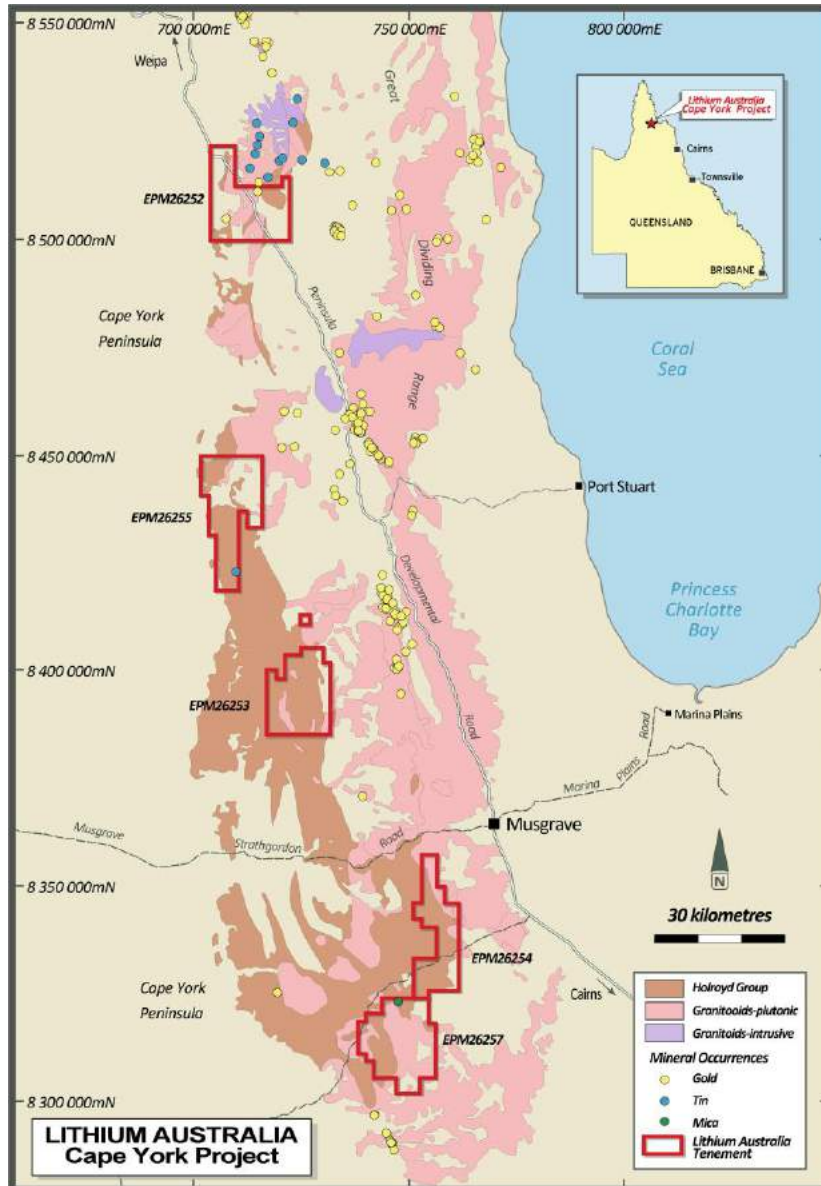
## CAPE YORK – QUEENSLAND

LIT's 100%-owned Cape York project lies on the Cape York Peninsula in Queensland, 1,700 km northwest of Brisbane (ASX release [26 July 2016](#)). On 20 December 2016 Notice to Progress EPM26252 was received, with the tenement granted on 19 January 2017. It is expected that EPM26255 (see below) will be granted by the end of January or early February 2018.



# QUARTERLY ACTIVITIES REPORT

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Location of LIT's Cape York project on the contact between the Holroyd Group and fertile granites.

## COBALARK – WESTERN AUSTRALIA

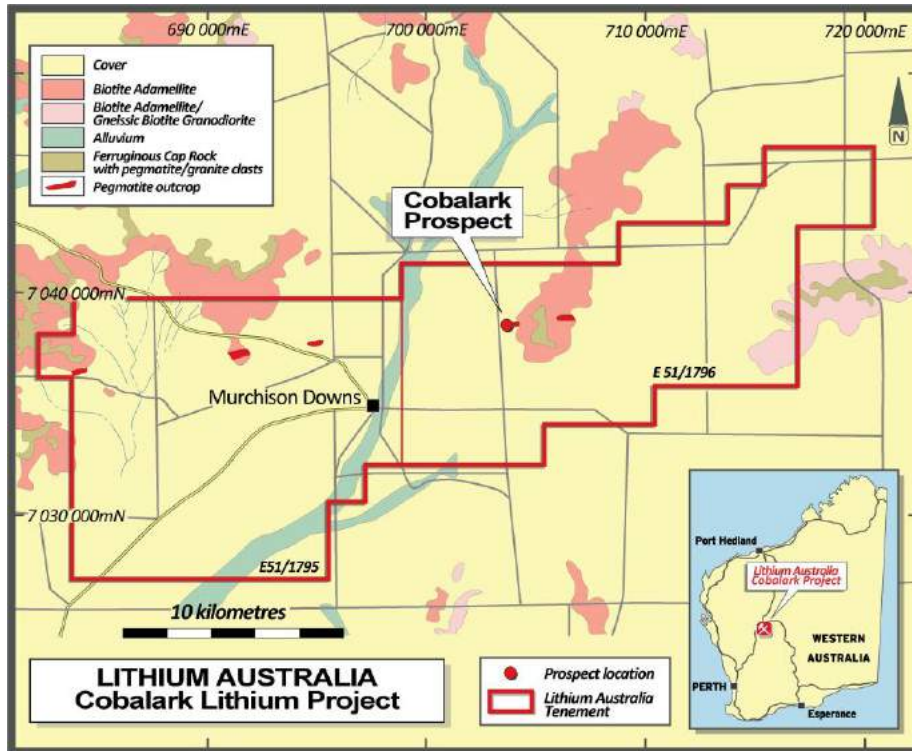
LIT has applied for two exploration licences covering 355 km<sup>2</sup> at its 100%-owned Cobalark project 670 km northeast of Perth.

The tenements cover the Cobalark tantalum prospect and pegmatite outcrops along the Cobalark structural trend (see below). Previous exploration recorded more pegmatite outcrops than those mapped by the Geological Survey of Western Australia. Contact metamorphic effects within the host biotite adamellite suggest that greisens have developed along some of the contacts. Tantalum occurs as fine, disseminated grains in both the pegmatite and ferruginous capping rocks.

To date, no lithium exploration has occurred over any of the pegmatites in the project area.

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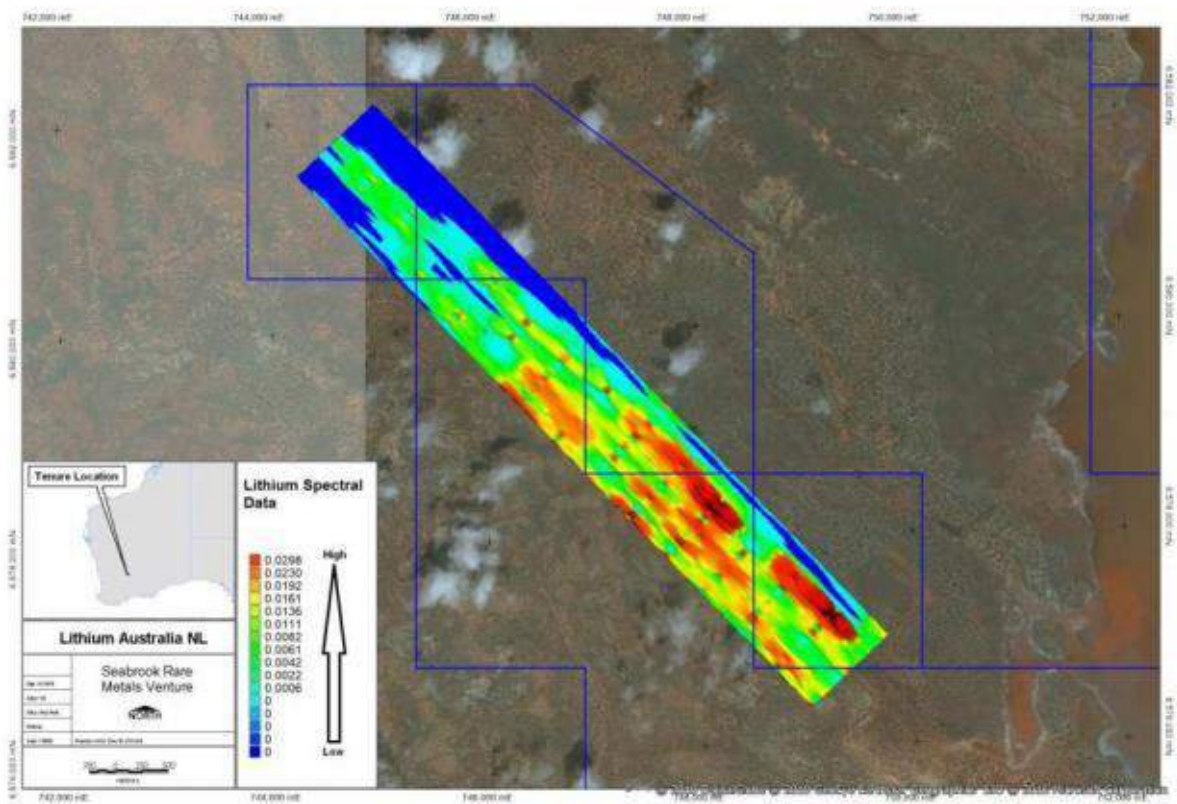
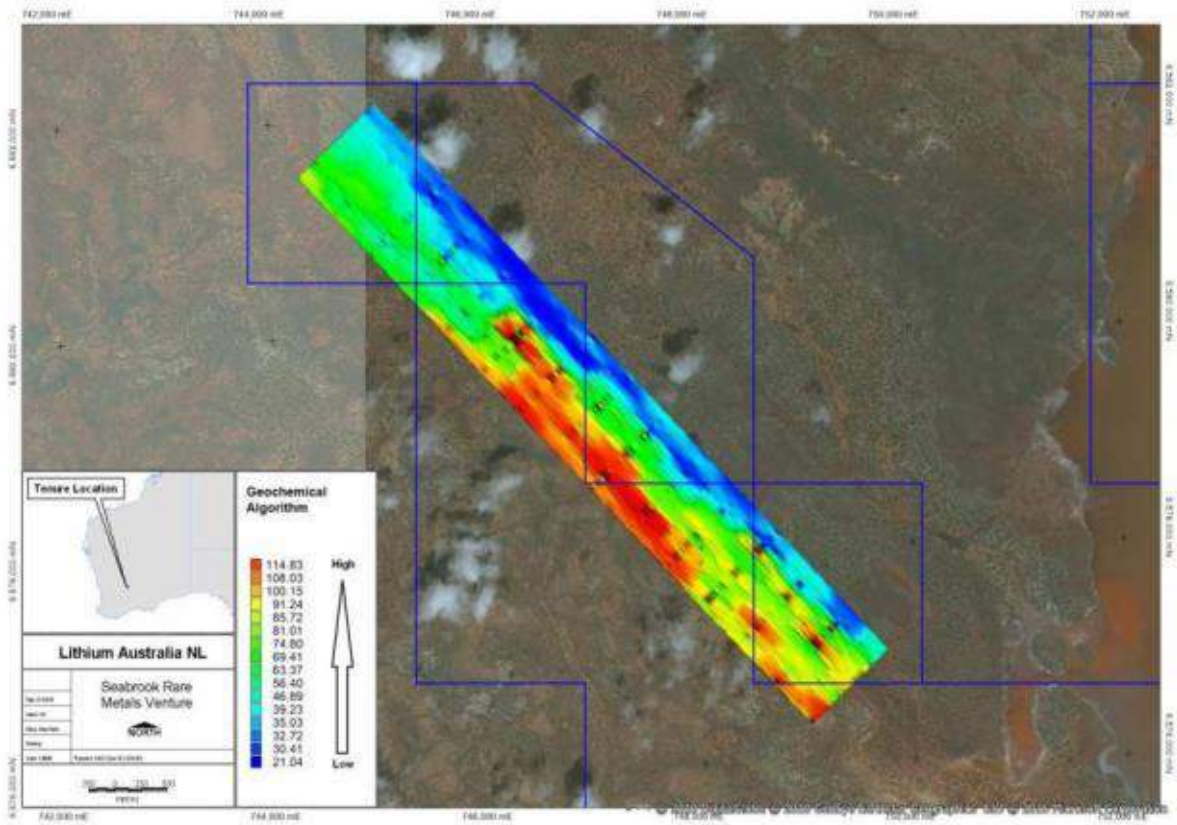
Location of LIT's Cobalark project.

## SEABROOK RARE METALS VENTURE – WESTERN AUSTRALIA

The Seabrook Rare Metals Venture (LIT 80%, Tungsten Mining (ASX: TGN) 20%) is located 385 km east-northeast of Perth. It consists of seven exploration licences covering 172 km<sup>2</sup>. The tungsten mineralisation is associated with extensive skarn mineralisation. The latter exhibits strong alkali metal halos similar to those around lithium pegmatites identified further south on E77/2279 (see below) (ASX release [4 November 2016](#)).

# QUARTERLY ACTIVITIES REPORT

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Geochemical alkali metal algorithm from XRF analyser data (top) and LIBS semi-quantitative lithium % from soil analysed using SciAps Z500 analyser (bottom).



## QUARTERLY ACTIVITIES REPORT

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### OTHER OPPORTUNITIES

LIT is also exploring other opportunities in tantalum, tungsten, cobalt-manganese, graphite and rare-earth metals, with a view to directing further exploration efforts on currently held ground and via potential acquisition of quality Australian and overseas properties.

### CORPORATE

LIT progressed its capital management plans taking advantage of price rises in equities held in other companies to bolster cash reserves. Similarly, price rises and increased liquidity in LIT shares provided an opportunity to effectively utilize the Controlled Placement Agreement to place stock at close to market prices. LIT will continue to monitor opportunities as it implements a capital management plan which will provide the financial resources required for all parts of the business.

### SUBSEQUENT EVENTS

#### EXPLORATION

On 29 January 2017, LIT and Cazaly Resources (ASX:CAZ) agreed to dissolve the Goldfields Lithium Alliance. This will result in a reduction of tenure within the area of influence (100km radius of Kalgoorlie) in the Coolgardie and Widgiemooltha areas. LIT will continue to maintain an 80% interest in Lepidolite Hill (18km south of Coolgardie) with Focus Minerals (ASX:FML) retaining 20%.

LIT further expanded its European lithium supply strategy with the granting of two exploration licences in Saxony (Germany); one to a German subsidiary, and the other to Tin International AG, LIT's JV partner.

#### RECYCLING RESEARCH

As the market for power storage – and in particular lithium-ion batteries – reaches maturity, recycling will become a necessity globally. Much of the driving force behind recycling is the value of the cathode metals, cobalt especially. Although current recycling does recover most of the base metals, the recovery of lithium is close to zero. The reason for this disparity is simply the processing technology preferred by the companies doing the recycling. In other words, it can be resolved by improving processing options.

LIT is evaluating the logistical chain from 'cradle to grave', to determine the deconstruction of all components of lithium-ion batteries and develop a strategy that maximises the recovery of every material contained within those batteries at the end of their useful life. With the assistance of university research, that work has begun, the aim being to finalise a flow sheet for testing this year.

#### ABOUT LITHIUM AUSTRALIA NL

Lithium Australia aspires to 'close the loop' on the energy-metal cycle. Its disruptive extraction processes are designed to convert *all* lithium silicates to lithium chemicals, from which advanced components for the battery industry can be created. By uniting resources and the best available technology, Lithium Australia seeks to establish a vertically integrated lithium processing business.

## QUARTERLY ACTIVITIES REPORT

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### COMPETENT PERSON'S STATEMENT

The information in this report that relates to Exploration Results, together with any related assessments and interpretations, is based on information compiled by Peter Spitalny and Derrick Kettlewell on behalf of Adrian Griffin, managing director of Lithium Australia NL. Messrs Spitalny and Kettlewell are members of the Australasian Institute of Mining and Metallurgy and have sufficient experience relevant to the styles of mineralisation under consideration, and to the activity they have undertaken, to qualify as Competent Persons, as defined in the *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 edition)*.

Mr Griffin, who is also a member of the Australasian Institute of Mining and Metallurgy, 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, Mineral Resources and Ore Reserves (2012 edition)*.

Messrs Spitalny and Kettlewell consent to the inclusion in the report of the matters based on their information in the form and context in which it appears. LIT is not aware of any new information or data that materially affects that contained herein, which is based on information compiled on behalf of LIT managing director Adrian Griffin.

# QUARTERLY ACTIVITIES REPORT

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## LISTING RULE 5.3.3 INFORMATION

### AUSTRALIAN TENEMENTS

LIT TENEMENTS	PROJECT	NOTES	DATE
E09/2168	YINNIETHARRA	GRANTED	22/02/2017
E09/2191	THOMAS RIVER	GRANTED	29/11/2016
E09/2200	MOUNT JAMES 2	GRANTED	08/03/2017
E09/2201	MOUNT JAMES 1	GRANTED	08/03/2017
E09/2203	MOUNT JAMES 3	GRANTED	17/03/2017
M15/1809	COOLGARDIE	GRANTED	04/02/2013
P15/5519	COOLGARDIE	GRANTED	3/02/2011
P15/5574	COOLGARDIE	GRANTED	10/08/2011
P15/5575	COOLGARDIE	GRANTED	10/08/2011
P15/5625	COOLGARDIE	GRANTED	9/08/2013
P15/5626	COOLGARDIE	GRANTED	14/12/2011
P15/5629	COOLGARDIE	GRANTED	9/08/2013
P15/5739	COOLGARDIE	GRANTED	17/01/2013
P15/5740	COOLGARDIE	GRANTED	17/01/2013
P15/5741	COOLGARDIE	GRANTED	17/01/2013
P15/5742	COOLGARDIE	GRANTED	17/01/2013
P15/5743	COOLGARDIE	GRANTED	17/01/2013
P15/5749	COOLGARDIE	GRANTED	3/04/2013
E45/4654	HILLSIDE	GRANTED	04/07/2017
E45/4655	HILLSIDE	GRANTED	04/07/2017
E45/4668	HILLSIDE	GRANTED	03/07/2017
E45/4627	KANGAN	GRANTED	11/10/2016
E45/4630	MUNGALEENA	GRANTED	06/02/2017
E45/4654	HILLSIDE 1	GRANTED	04/07/2017
E45/4655	HILLSIDE 2	GRANTED	04/07/2017
E45/4668	HILLSIDE 3	GRANTED	03/07/2017
E45/4684	STRELLEY	GRANTED	02/02/2017
P45/3004	KAGAN	GRANTED	04/11/2016
E51/1795	COBALARK	GRANTED	06/11/2017
E51/1796	COBALARK	GRANTED	06/11/2017



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E63/1777	MT DAY	GRANTED	22/03/2016
E63/1805	MT DAY	GRANTED	28/02/2017
E63/1806	MT DAY	GRANTED	28/02/2017
E63/1807	MT DAY	GRANTED	17/10/2017
E63/1808	MT DAY	GRANTED	17/10/2017
E63/1809	MT DAY	GRANTED	17/10/2017
E70/4778	GREENBUSHES	GRANTED	19/04/2016
E70/4788	GREENBUSHES	GRANTED	01/07/2016
E70/4789	GREENBUSHES	GRANTED	01/07/2016
E70/4790	GREENBUSHES	GRANTED	01/07/2016
E70/4888	GREENBUSHES	GRANTED	03/04/2017
E70/4890	GREENBUSHES	GRANTED	13/04/2017
E74/0543	RAVENSTHORPE	GRANTED	24/01/2014
E77/2279	LAKE SEABROOK	GRANTED	27/07/2015
EL 30897	ANGERS	GRANTED	22/03/2016
EPM 26252	CAPE YORK PROJECT 1	GRANTED	19/01/2017
EPM 26255	CAPE YORK PROJECT 2	GRANTED	13/02/2017
EPM 26339	CAPE YORK AMBER 1	GRANTED	13/04/2017
EPM 26394	CAPE YORK AMBER 2	GRANTED	13/04/2017
EPM 26395	CAPE YORK AMBER 3	GRANTED	13/04/2017
EPM 26396	CAPE YORK AMER 4	GRANTED	20/06/2017
EL 5960	VIVONEE SA	GRANTED	09/05/2017

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## 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**

21 126 129 413

**Quarter ended ('current quarter')**

31 December 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	–	–
1.2 Payments for		
(a) exploration and evaluation	(344)	(735)
(b) development	–	–
(c) production	–	–
(d) staff costs	(175)	(345)
(e) administration and corporate costs	(398)	(865)
1.3 Dividends received (see note 3)	–	–
1.4 Interest received	28	31
1.5 Interest and other costs of finance paid	–	–
1.6 Income taxes paid	–	–
1.7 Research and development refunds	1,190	1,790
1.8 Other (provide details if material)	–	–
<b>1.9 Net cash from/(used in) operating activities</b>	<b>301</b>	<b>(124)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(27)	(33)
(b) tenements (see item 10)	–	–
(c) investments	(104)	(185)
(d) other non-current assets	(541)	(843)
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	–	–

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Consolidated statement of cash flows	Current quarter SA'000	Year to date (6 months) SA'000
(b) tenements (see item 10)	–	–
(c) investments	7,061	7,103
(d) other non-current assets	–	325
2.3 Cash flows from loans to other entities	–	–
2.4 Dividends received (see note 3)	–	–
2.5 Other (provide details if material)	–	–
<b>2.6 Net cash from / (used in) investing activities</b>	<b>6,389</b>	<b>6,367</b>
<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	6,880	6,880
3.2 Proceeds from issue of convertible notes	–	–
3.3 Proceeds from exercise of share options	–	–
3.4 Transaction costs related to issues of shares, convertible notes or options	(64)	(64)
3.5 Proceeds from borrowings	19	19
3.6 Repayment of borrowings	(1,200)	–
3.7 Transaction costs related to loans and borrowings	–	–
3.8 Dividends paid	–	–
3.9 Other	–	–
<b>3.10 Net cash from / (used in) financing activities</b>	<b>5,635</b>	<b>6,835</b>
<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	3,340	2,587
4.2 Net cash from / (used in) operating activities (item 1.9 above)	301	(124)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	6,389	6,367
4.4 Net cash from / (used in) financing activities (item 3.10 above)	5,635	6,835



Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	–	–
4.6	<b>Cash and cash equivalents at end of period</b>	<b>15,665</b>	<b>15,665</b>

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	303	384
5.2	Call deposits	15,362	2,956
5.3	Bank overdrafts	–	–
5.4	Other (provide details)	–	–
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>15,665</b>	<b>3,340</b>

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	256
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	

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## Mining exploration entity and oil and gas exploration entity quarterly report

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	–	–
8.2 Credit standby arrangements	–	–
8.3 Other (LITCE's)	33,199	–
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. <b>Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	1,034
9.2 Development	480
9.3 Production	0
9.4 Staff costs	502
9.5 Administration and corporate costs	256
9.6 Other (provide details if material)	
<b>9.7 Total estimated cash outflows</b>	<b>2,272</b>

10. <b>Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter (%)</b>	<b>Interest at end of quarter (%)</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased	E45/4654	Tenement granted	0	100
	E45/4655	Tenement granted	0	100
	E45/4668	Tenement granted	0	100
	E51/1795	Tenement granted	0	100
	E51/1796	Tenement granted	0	100
	E63/1807	Tenement granted	0	100
	E63/1808	Tenement granted	0	100
	E63/1809	Tenement granted	0	100

**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' Date: 31 January 2018  
(~~Director~~/Company secretary)

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.