

QUARTERLY ACTIVITIES REPORT

for the period ending 30 September 2018

(All figures are unaudited and in A\$ unless stated otherwise)

Key Points

Operations

- Final engineering work for the Phase 1 L-Max[®] Plant with a nominal output of 5,000 tonnes per year of lithium carbonate is on schedule for completion in December 2018. The Project feasibility study is on schedule for completion during the first half of 2019.
- Process design work was completed for a small-scale L-Max[®] Pilot Plant and a final investment decision made in September 2018. Commissioning is scheduled for April 2019.
- The L-Max[®] R&D programme has successfully concentrated caesium and rubidium into two separate products, including a caesium-rich brine, which has applications in offshore oil and gas drilling.
- Testwork demonstrates that amorphous silica generated from the S-Max[™] process can materially increase the compressive strength of concrete when added as a partial cement replacement and also significantly reduces the embodied CO₂ content within the concrete.
- Trials commenced in September for the use of L-Max[®] residue as a land reclamation product, following receipt of positive material characterisation tests.
- Permitting activities started for the expansion and further development of the Alvarrões Lepidolite Mine. Drilling recommenced at Alvarrões in early October 2018.
- Drilling identified multiple lepidolite-bearing pegmatites within three separate targets at the Youanmi Lithium Project.

Corporate

- Cash and cash equivalents as at 30 September 2018 of \$10.7 million and no debt (including proceeds from Entitlement Offer and private placement).
 - Successful Entitlement Offer and private placement completed raising \$8.1 million (before expenses).
 - National and regional patent processes for L-Max[®] progressing.
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OVERVIEW & OUTLOOK

Lepidico continues to have a zero-harm track record since health, safety and environmental incident reporting and data collection commenced in September 2016. Workstreams for the integrated Phase 1 L- Max[®] Plant Feasibility Study (the “Study”) remain on track for completion during the first half of 2019. Final engineering for the nominal 5,000 tonnes per annum (tpa) lithium carbonate chemical plant is scheduled to be the first study workstream to complete in December 2018. Testwork for the upstream concentrator based on Alvarrões mineralisation is on schedule for completion in the current quarter prior to commissioning of the final process design. A drill rig mobilised to Alvarrões late in the quarter to commence both Mineral Resource infill and exploration programmes, to support a maiden Ore Reserve estimate for the feasibility study. Environmental studies continued in both Canada and Portugal for the L-Max[®] plant and mine-concentrator developments respectively. The permitting processes in both these jurisdictions have also commenced and, along with the registration processes for the various L-Max[®] products, represent the critical path for the integrated Project. First production continues to be targeted for calendar year 2020, based on a final investment decision being made for the Phase 1 Plant Project in the September 2019 quarter. Commitment to develop an L-Max[®] Pilot Plant was made late in the quarter as an initiative to provide significant quantities of materials to further develop the quality and value of the L-Max[®] product suite, as well as provide a facility to allow prospective offtake/finance parties to conduct comprehensive due diligence. Scoping study works for a full-scale L-Max[®] plant, built in 10,000 tpa modules continued.

DEVELOPMENT

Phase 1 L-Max[®] Plant Feasibility Study

The flowsheet for the Phase 1 Plant was finalised in August 2018, incorporating the findings from a major equipment vendor testwork programme. Lycopodium Minerals Pty Ltd, a subsidiary of Lycopodium Limited (ASX:LYL) (“Lycopodium”) commenced the final engineering for the Phase 1 L-Max[®] Plant, based on a nominal concentrate throughput rate of approximately 6.7 tonnes per hour (tph) to produce approximately 5,000 tpa of lithium carbonate equivalent (LCE). This compares with the production rate contemplated in the pre-feasibility study of 2,500 tpa to 3,000 tpa LCE (at a throughput of 3.6 tph). The final feasibility engineering for the Phase 1 Plant is scheduled for completion in December 2018 and will allow the final capital cost and project implementation schedule for the chemical plant to be estimated.

Favourable geochemical, geotechnical and material characterisation results were received during the quarter from testwork on samples of L-Max[®] residue. This provided the confidence to commit to a three month research collaboration with the Department of Earth and Environmental Sciences at the University of Waterloo in Ontario and Knight Piésold Consulting. The purpose of the project is to characterise the blended residue streams from the L-Max[®] process and assess this material as a potential by-product for the environmental reclamation of city landfill sites.

The Phase 1 Plant feasibility study continues to contemplate the development of a Residue Storage Facility (RSF), with environmental baseline work and RSF engineering continuing for one of two

shortlisted plant sites in Sudbury. However, assuming the residue product project is successful, the need to have a dedicated RSF on site may be eliminated, thereby making the Phase 1 Plant a “zero waste” facility. A permitting and approval plan for a residue product will be developed assuming a positive outcome to the work being undertaken at the University of Waterloo.

A draft project description for the Phase 1 Plant Project was submitted to the Ministry of Northern Development and Mines. Environmental baseline work is scheduled to be completed in the current quarter along with a Project closure plan. The permitting process is scheduled to conclude in the second half of calendar year 2019. Marketing and registration activities for the planned Phase 1 Plant by-product suite continued.

Variability testwork to maximise the flotation recovery of both lepidolite and amblygonite was conducted during the quarter on Alvarrões mineralisation. Thickening and filtration testwork are scheduled to be completed during the current quarter, allowing a feasibility study level process design for the upstream concentrator to be developed.

Alvarrões Lepidolite Mine (Gonçalo), Portugal¹

The Environmental Impact Study (EIS) continued for the Alvarrões mine expansion and concentrator development. At the end of the quarter the project description had been drafted and terms of reference for the Study were being developed for submission to the regulator in October 2018, allowing impact assessments to commence. The EIS is scheduled to be completed in March 2019. Permits and approvals continue to represent the critical path for the project. Based on the prescribed process timeframes it is estimated that the requisite project permits would be received during the second half of calendar 2019. First production continues to be targeted for calendar year 2020.

A scout drill programme, conducted in collaboration with Grupo Mota, commenced near the Alvarrões mine in early October 2018. This programme will further evaluate the lepidolite potential within the greater mining lease area, termed the Phase 2 Area (see Exploration Section below). Following completion of this work a Mineral Resource infill drill programme is scheduled to commence at Blocks 1 and 2 of the Alvarrões mine, with the objective of increasing drill density to allow the confidence of the existing Inferred estimate to be upgraded to Measured and Indicated categories.

The work at Alvarrões is part of Lepidico’s Mineral Resource definition program to establish a multi-deposit inventory of high-quality lithium mica Mineral Resources to provide feedstock for not just the proposed Phase 1 L-Max[®] Plant but also conceptual full-scale L-Max[®] plants.

¹ Lepidico announced on 9 March 2017 that it had signed a binding term sheet for ore off-take from the Alvarrões lepidolite mine with Grupo Mota, the 66% owner and operator of Alvarrões.

Full-Scale L-Max® Plant Scoping Study

In parallel with the engineering work for the Phase 1 Plant Feasibility Study, budget prices will be sought for larger scale major equipment items. This data will inform an initial capital cost estimate to be made for a full-scale L-Max® plant during the first half of 2019.

Consultation with potential customers for by-products from the Phase 1 Plant suggest that markets exist for these industrial chemicals in regions that Lepidico hasn't previously considered. These findings are being combined with the global logistics and markets analysis undertaken for the 2017 Phase 1 Plant pre-feasibility study. This work will be used to refine the optimal strategic locations around the world for an L-Max® facility.

RESEARCH & DEVELOPMENT

During the quarter significant advances were made in the development of the L-Max® product suite, in collaboration with consultants Strategic Metallurgy Pty Ltd ("Strategic Metallurgy"). To support this work a process design was finalised for a small-scale L-Max® pilot plant and, subsequent to securing funding, a final development decision made.

Pilot Plant Development

The pilot plant process design was completed by Strategic Metallurgy in July 2018. The capital cost is estimated to be A\$3 million with a further A\$1.5 million required for operation. Subsequent to funding being secured late in the quarter, Strategic Metallurgy was contracted to build and operate the L-Max® pilot plant.

The 15 kilogram per hour (kgph) facility will be built and operated in Perth, Australia and employ similar equipment to that proposed in the Phase 1 L-Max® plant design, albeit of smaller scale. The scale-up ratio from the pilot plant to the Phase 1 Plant will be around 480 times (15kgph to 6.7tph on a post debottlenecked basis), less than one tenth of that versus scale-up from the January 2017 mini-plant operation.

A hazard and operability (HAZOP) assessment for the pilot plant project has been undertaken. Manufacture of the steel skids to house the L-Max® mechanical equipment, along with the placing of orders for long lead items are on the project critical path for the pilot plant. Perth based mining and mineral processing engineering consultancy, Wilshaw, has been commissioned to design and construct the plant skids, which are due for delivery in December 2018. An order schedule for the nine equipment packages has been developed with orders now placed for the major mechanical equipment including filters, heat exchangers and evaporators.

The decision to develop an L-Max® pilot plant was based in large part on feedback from prospective offtake/finance parties. By way of background, Lepidico commenced its strategic partner outreach programme in Japan in 2015, by retaining an industry specialist to facilitate access to prospective Japanese strategic investors in lithium chemical production and marketing. Subsequently this programme has been expanded to include three further corporate advisors (on success-based mandates) with specific expertise in other parts of Asia, Europe and North America.

One of these advisors is also an industry specialist in the lithium chemical sector. The objective of the ongoing strategic partner programme is to secure an industry partner or partners for the Phase 1 L-Max[®] plant project that will provide a proportion of the associated development capital stapled to long term offtake arrangements for its products, in particular lithium carbonate.

Pilot plant commissioning is scheduled to coincide with completion of the Phase 1 Plant feasibility study, thereby allowing prospective offtake/finance partners the opportunity to conduct comprehensive due diligence from April 2019.

L-Max[®] Product Development

Another benefit of the pilot plant is that it will provide material for further product development work, in particular for: amorphous silica, SOP fertiliser, caesium brine and the use of the L-Max[®] residue as a land reclamation product. The considerable quantities of materials generated will enable further work to enhance the quality and value of each product, and potentially allow new products to be evaluated. The lithium carbonate produced from the pilot plant is planned to be used to provide samples for testing by prospective customers. The pilot plant will also generate data for optimisation of Phase 1 Plant operating parameters.

Caesium brine

A caesium brine grading 32% caesium, 8% rubidium and less than 1% potassium has been produced in the laboratory from a lepidolite concentrate generated from the Alvarrões mine in Portugal. Further testwork is planned with the objective of producing a marketable quality caesium brine, while also refining the associated process circuit. No value was considered for caesium products in the Phase 1 L-Max[®] Plant Pre-Feasibility Study (PFS).

Amorphous silica

Since lodging the provisional patent application for S-Max[™] in May 2018, Lepidico, in collaboration with Strategic Metallurgy, has been evaluating alternative uses for amorphous silica generated from the L-Max[®] leach residue. Testwork has indicated that this silica residue is suitable for use in concrete as a Supplementary Cementitious Material (SCM).

When added to Ordinary Portland Cement (OPC) and water the SCM reacts (with the excess calcium hydroxide generated by the OPC reaction with water) to yield additional cementitious material. This is a valuable attribute of the residue, as substitution of OPC with L-Max[®] silica residue could reduce both concrete production costs and the embodied CO₂ content within the concrete, while increasing its strength for equivalent OPC additions.

Tests conducted by Strategic Metallurgy resulted in a significant increase in concrete compressive strength of up to 30% when the L-Max[®] residue replaced 10% of the OPC and after curing for approximately 20 days. Subsequent tests by Boral, conducted according to ASTM C1240 standard specification for silica fume used in cementitious mixtures, resulted in strength increases ranging from 4 to 11% versus the baseline 100% OPC sample after curing for just 7 days. Compressive strength increases with curing time and further testwork is planned.

Production of amorphous silica from the planned Phase 1 L-Max[®] Plant will simplify the process flowsheet versus the PFS, which assumed the production of sodium silicate. The associated operating cost and capital cost savings are expected to be offset by lower revenue and are planned to be incorporated into the current feasibility study. A market study has commenced for the sale of amorphous silica from the Phase 1 Plant and the Company is pursuing commercial alternatives in this regard. Once in operation the research and development of alternative higher value silica products may be considered.

EXPLORATION

Lepidico's exploration strategy is to identify and secure lithium mica deposits that are capable of providing material quantities of quality L-Max[®] concentrate feed. Further exploration has commenced at Alvarrões in Portugal to increase the scale and confidence of the JORC Code-compliant Inferred Mineral Resource² of 1.5Mt @ 1.1% Li₂O. In parallel, ongoing evaluation of lithium mica projects continues both in Australia and globally.

Youanmi Lepidolite Project, Youanmi, Western Australia³

On 26 July 2018 the Company entered into an option agreement with Venus Metals Corporation Limited (ASX:VMC) ("Venus") to explore for lithium mineralisation on exploration licence E57/983 located in the Murchison District in Western Australia, approximately 20 km southwest of the historical Youanmi gold mine.

During the quarter the Company completed an initial reverse circulation ("RC") drilling program at the Youanmi Lepidolite Project, which confirmed the presence of multiple lepidolite-bearing pegmatites within three separate targets.

The program comprised 38 holes for a total of 936 metres of RC drilling. Drilling concentrated on the initial three targets outlined during a reconnaissance field trip by Lepidico staff in early August over a 2 km portion of the northern half of E57/983. The balance of the northern half (2 km strike) as well as the entire southern half of the tenement (an additional 4 km of strike) is yet to be evaluated for lepidolite mineralisation.

Assay results from the RC drilling program are awaited.

As reported on 31 August 2018, the reconnaissance work found evidence of lepidolite-bearing pegmatites at each target area with lepidolite content in rock chips ranging from 5% to 35% and commensurate Li₂O contents of 0.25% to 1.7%.

Drilling intercepted numerous lepidolite-bearing pegmatites with best results stemming from the Target 1 area, which hosts a pegmatite of simple geometry, 4m to 5m thick, dipping at 45 degrees

² Lepidico announced on 7 December 2017 the inaugural Alvarrões Mineral Resource estimate

³ Lepidico announced on 26 July 2018 that it had entered into an option agreement with Venus Metals Corporation Limited (ASX:VMC) to earn up to an 80% interest in lithium pegmatite rights within exploration licence E57/983.

to the north and striking approximately E-W. This pegmatite has been intercepted over a 250 m strike, to at least 40 m down dip, averages 15%-20% lepidolite, and remains open in all directions.

Target 2 contains a complex of thin pegmatites of varying orientations over a 200 m x 100 m area. This area returned a thick intercept of 9 m @ 10%-30% lepidolite from a complex array of multiple pegmatites.

Target 3 is marked by dispersed surface indications, over an area of 300 m x 200 m, of sub-cropping lepidolite pegmatites which drilling shows to be 1 m - 3 m thick with lepidolite contents from 2% to 10%. This area is provisionally interpreted as a transition zone, from muscovite-dominant pegmatites in the south to lepidolite-bearing pegmatites to the north.

In each case, prospectivity will be better understood on receipt of assays, which are imminent. A follow-up program is being planned for implementation following receipt of assay results to collect additional information on this extensive lepidolite field prior to the onset of summer and the end of the current field season.

CORPORATE

As at 30 September 2018, Lepidico had cash and cash equivalents of \$10.7 million and no debt (including funds from the Entitlement Offer and Placement).

Entitlement Offer

On 3 September 2018 the Company announced a pro-rata Renounceable Entitlement Offer (Entitlement Offer) of fully paid ordinary shares (New Shares) on the basis of one (1) New Share for every seven (7) existing shares held at the record date with 1 for 2 free attaching options (New Options) which closed on 25 September 2018. Shares under the Entitlement Offer were issued on 1 October 2018 at \$0.019 per New Share. New Options have an exercise price of 4.5 cents, a term of two years and are listed under the ASX code LPDOA.

The Company raised \$7.9 million (before costs) under the Entitlements Offer and issued 417,877,158 New Shares and 208,938,579 New Options on 1 October 2018. Due to overwhelming demand, the Company agreed to place a further 13,157,894 fully paid ordinary shares at \$0.019 with 6,578,947 attaching LPDOA options to raise an additional \$250,000 ("Placement")

It is intended that the proceeds of the Entitlement Offer will be prioritised to fund the Lepidico business, including to build and operate an L-Max[®] pilot plant, as outlined above. The aggregate cost of A\$4.5 million for the development and operation of the L-Max[®] pilot plant falls within the cap (of approximately A\$9 million) placed on expenditures eligible for a research and development tax offset in Australia.

Patents

The Company currently holds International Patent Application PCT/AU2015/000608 and a granted Australian Innovation Patent (2016101526) in relation to the L-Max[®] Process.

In 2017, the Company proceeded with the national and regional phase of patent applications in the main jurisdictions in which L-Max[®] may operate in the future. This regional phase of the patent process is expected to continue into 2019.

In addition, the Company hold an Australian Patent Application (2018901424) in relation to the S-Max[™] Process.

Further Information

For further information, please contact

Joe Walsh
Managing Director
Lepidico Ltd

Tel: +1 (647) 272 5347

Tom Dukovic
Exploration Director
Lepidico Ltd

Tel: +61 (8) 9363 7800

Email: info@lepidico.com

Website: www.lepidico.com

Exploration Results

The information in this report that relates to Exploration Results is based on information compiled by Mr Tom Dukovic, who is an employee of the Company and a member of the Australian Institute of Geoscientists and who has sufficient experience relevant to the styles of mineralisation and the types of deposit under consideration, and to the activity that has been undertaken, 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 Dukovic consents to the inclusion in this report of information compiled by him in the form and context in which it appears.

Forward-looking Statements

All statements other than statements of historical fact included in this release including, without limitation, statements regarding future plans and objectives of Lepidico, are forward-looking statements. Forward-looking statements can be identified by words such as "anticipate", "believe", "could", "estimate", "expect", "future", "intend", "may", "opportunity", "plan", "potential", "project", "seek", "will" and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, its directors and management of Lepidico that could cause Lepidico's actual results to differ materially from the results expressed or anticipated in these statements.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this release will actually occur and investors are cautioned not to place any reliance on these forward-looking statements. Lepidico does not undertake to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this release, except where required by applicable law and stock exchange listing requirements.

CORPORATE INFORMATION

Board

Gary Johnson	Non-Executive Chairman
Joe Walsh	Managing Director
Tom Dukovcic	Director Exploration
Mark Rodda	Non-Executive Director
Cynthia Thomas	Non-Executive Director
Brian Talbot	Non-Executive Director
Shontel Norgate	CFO & Joint Company Secretary
Alex Neuling	Joint Company Secretary

Registered & Principal Offices

Level 1, 254 Railway Parade, West Leederville, WA 6007, Australia
Suite 200, 55 University Avenue, Toronto, Ontario, M5J 2H7, Canada

Stock Exchange Listings

Australian Securities Exchange (Ticker LPD)
Frankfurt Stock Exchange (Ticker AUB)

Forward Shareholder Enquiries to

Security Transfers Australia Pty Ltd
770 Canning Highway
Applecross WA 6153
Telephone +61 (0) 8 9315 2333
Email: registrar@securitytransfer.com.au
Website: www.securitytransfer.com.au

Issued Share Capital

As at 30 September 2018, issued capital was 2,925,140,151 (excludes shares from Entitlement Offer and private placement).

As at 25 October 2018, issued capital was 3,356,175,188

Quarterly Share Price Activity

	High	Low	Close
July – September 2018	4.0c	1.8c	2.8c

TENEMENT INFORMATION (Provided in accordance with ASX Listing Rule 5.3.3)

AUSTRALIAN OPERATIONS

The Company currently holds interests in tenements as set out below.

Farm-in Agreements

Project/ Tenement ID	Registered Holder	Lepidico Interest in tenement	Expiry Date	Area
Youanmi Lepidolite Project (E57/983) Youanmi, WA	Venus Metals Corporation Limited	Earning up to 80% of lithium pegmatite rights	3 February 2020	29 blocks

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

Lepidico Ltd

ABN

99 008 894 442

Quarter ended ("current quarter")

30 September 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(232)	(232)
(b) development	(892)	(892)
(c) production	-	-
(d) staff costs	(467)	(467)
(e) administration and corporate costs	(542)	(542)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	12	12
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	(2,121)	(2,121)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(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	-	-

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	8,191	8,191
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	363	363
3.4 Transaction costs related to issues of shares, convertible notes or options	(531)	(531)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	8,023	8,023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,860	4,860
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,121)	(2,121)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	8,023	8,023
4.5	Effect of movement in exchange rates on cash held	15	15
4.6	Cash and cash equivalents at end of period	10,777	10,777

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	10,777 ¹	4,859
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	10,777	4,859

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	626
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	
		\$A'000
	Salaries	303
	Directors Fees	63
	Payments to Director Related Entities (Development)	260

¹ Balance includes funds held in Share Registry trust account on the Company's behalf.

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 (please specify)	-	-

8.1 Loan facilities

8.2 Credit standby arrangements

8.3 Other (please specify)

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.

9. Estimated cash outflows for next quarter

\$A'000

9.1 Exploration and evaluation	234
9.2 Development	1,396
9.3 Production	-
9.4 Staff costs (includes exploration and evaluation)	291
9.5 Administration and corporate costs	545
9.6 Other	-
9.7 Total estimated cash outflows	2,466

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	<p>Moriarty Lithium Project, WA: P15/5545, 15/1101, M15/1263, M15/1264, M15/1323, M15/1338, M15/1474, M15/1475, M15/1769, M15/1770, M15/1771, M15/1772, M15/1773, M15/1774, M15/1775, M15/1776.</p> <p>PEG 9, WA: two sub-blocks of E63/1669.</p> <p>Lemare Spodumene Project: 158 claims, 74 sq km, in Quebec, Canada.</p>	<p>Earning 75%, and up to 100%, of lithium rights from Maximus Resources Ltd.</p> <p>Earning 75% of lithium rights over Peg 9 prospect only from Pioneer Resources Ltd.</p> <p>Earning up to 75% from Critical Elements Corporation Inc.</p>	<p>Nil</p> <p>Nil</p> <p>Nil</p>	<p>Nil</p> <p>Nil</p> <p>Nil</p>
10.2	Interests in mining tenements and petroleum tenements acquired or increased	<p>Youanmi Lepidolite Prospect, WA: E57/983</p>	Earning 80% lithium rights from Venus Metals Corporation Ltd.	Nil	Nil

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: 
(Director/Company secretary)

Date: 25 October 2018

Print name: Shontel Norgate

Notes

1. The quarterly report provides a basis for informing the market 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 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.