



**LEPIDICO**

ASX: LPD

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## QUARTERLY ACTIVITIES REPORT

for the period ending 30 September 2021

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

### Key Points

#### Development

- Front End Engineering and Design (FEED) works for the Karibib concentrator remains on schedule for November, with selection of the two long lead item packages complete
- Tenders received for chemical plant long lead equipment packages, with early services and FEED expected to complete late December 2021
- Phase 1 plant site secured in the Khalifa Industrial Zone Abu Dhabi (KIZAD) on signing 25 year land lease agreement allowing utility tie-in design works to start
- Karibib site is shovel ready; environmental permit to construct at KIZAD received and final building permit on track with land lease now signed
- Opportunities identified for material reductions in Scope 1 & 2 greenhouse gas emissions for the integrated Phase 1 operations from the already relatively modest levels estimated by GHD, with potential to be best-in-class at 3t CO<sub>2</sub>-e/t LCE
- Pilot plant upgrade to Phase 1 design criteria started; 22t Karibib Ore sample processed and lithium mica concentrate produced for L-Max<sup>®</sup> conversion in November/December for lender due diligence and manufacture of product samples for customer testing

#### Products & Marketing

- Term sheets being negotiated for lithium hydroxide offtake with multiple manufacturers within the electric vehicle supply chain
- Binding offtake deals for the majority of lithium and caesium output from Phase 1 are targeted before the end of the calendar year to secure debt finance
- Caesium sulphate process refined and extended to make a range of catalyst quality chemicals from lithium mica feedstock, including hydroxide and carbonate to meet growing consumer needs
- Bulk by-product marketing resumed in the UAE; discussions started for placement of gypsum residue for road construction with the objective of Phase 1 being a zero-waste facility

#### Corporate and Finance

- Well-funded with cash and equivalents as at 30 September 2021 of \$11.9 million and no debt
  - U.S. International Development Finance Corp. and its independent engineer BDA visited the Karibib Operations site and met with key Namibian stakeholders
  - Provisional patent application lodged for the manufacture of ternary Cs-Rb-K catalyst compounds from lithium mica minerals
  - COVID-19 relief medical equipment donation made to clinic nearby the Karibib operations
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## OVERVIEW & OUTLOOK

Lepidico continues to have a zero-harm track record since health, safety and environmental incident reporting began in September 2016. During the September 2021 quarter most employees and contractors continued to work effectively from home due to the ongoing pandemic. However, an increase in reported COVID-19 cases in Namibia temporarily closed the Karibib site. The camp reopened on 12 July and exploration activities have resumed immediately thereafter. All but one of Lepidico employees have now been vaccinated.

Considerable progress has been made on all key workstreams, despite a slowdown during the northern hemisphere summer at many organisations that Lepidico has engagement with. Activity picked up again across the board from mid-September, aided by face-to-face meetings taking place for the first time in over eighteen months as business travel resumed. The industry backdrop has been for continued improvement in supply-demand fundamentals, fuelled by Electric Vehicle (EV) adoption rates that keep surpassing commentator forecasts. Benchmark Mineral Intelligence recently stated, "The lithium deficit in 2025 will be bigger than industry was in 2016", which makes for an extremely positive market environment for lithium chemicals as we bring Phase 1 onstream.

- Engineering Procurement & Construction Management (EPCM) contracts for the Phase 1 concentrator and chemical plant signed with Lycopodium Minerals Pty Ltd (Lycopodium); early services and Front-End Engineering and Design (FEED) work progressed well with these activities on schedule for completion this quarter.
- Next milestones for these EPCM Stage 1 development works are: (i) close out of all major equipment supply packages; and (ii) delivery of the Project control estimate on completion of FEED scheduled for late in the December quarter. Stage 2 Project implementation on track to start in the March quarter, subject to finance.
- Knight Piésold completed the earthworks design package for Karibib, which will be issued for tender in October. As much of the site infrastructure is already developed, including the Helikon haul road and water infrastructure, earth works do not need to start until early 2022.
- Musataha Agreement with Abu Dhabi Ports (ADP) was executed securing the land for the Phase 1 chemical plant at KIZAD for an initial term of 25 years. The Affection Plan has been received and Lycopodium has started works with the local engineer on infrastructure and tie-ins. All major environmental permits remain in place for Project developments to start in both Namibia and Abu Dhabi.
- Terms for sulphuric acid supply to the Phase 1 chemical plant are close to being finalised.
- Lithium chemical supply discussions are progressing well with three consumers, with agreement of binding terms targeted for the current quarter.
- Supply negotiations for caesium chemicals have expanded further with six consumers engaged in offtake discussions; agreements on binding terms targeted for the current quarter.
- First Lepidico employee onboarded in the UAE, to market bulk by-products. Sales agreement for gypsum residue into the cement industry as a retarding agent for use in the UAE is targeted for the current quarter, making the Phase 1 chemical plant a zero process waste facility.
- Behre Dolbear Australia Pty Ltd (BDA) on track for completion of confirmatory due diligence this quarter for consideration by DFC of debt provision for development of the Namibian operations.
- Alternatives identified to eliminate natural gas usage, which represents the largest single source of CO<sub>2</sub>-e emissions based on the Phase 1 design. Trade-off work has begun to assess the optimal technology to employ, with potential for Phase 1 to be best-in-class at 3t CO<sub>2</sub>-e/t LCE.
- Phase 2 Project Scoping Study activities focused on Mineral Resource development at Karibib, with a pegmatite zone up to 9 m true width identified at Marble Hill, where most of the 700 m strike and over 100 m depth extent remain untested for lithium mineralisation. Initial results of 3 m grading 0.30% Li<sub>2</sub>O returned. Drilling planned to resume in the current quarter.

## DEVELOPMENT

### **Karibib Project (80%), Namibia**

Karibib is fully permitted for the re-development of two open pit mines at Rubicon and Helikon 1, feeding lithium mica ore to a central mineral concentrator that employs conventional flotation technology. Major permits include the Mining Licence (ML204), water extraction permit and Environmental Compliance Certificates (ECC) for the Project, and a separate ECC awarded for the overhead power transmission line.

Lycopodium is now well advanced on both early services and FEED works for the Karibib concentrator. The two long lead items packages are close to being closed out. In parallel, process engineering is being finalised and discipline engineering is progressing well. Preferred suppliers have been selected for the ball mill, thickener and crushing plant. The control estimate for construction is on track to be finalised later this quarter, confirming the project schedule and budget.

Knight Piésold completed the infrastructure engineering package, which includes: access road upgrade, construction of on-site roads, Rubicon waste management area starter pad construction, site water management structures and bulk earthworks pads for the concentrator, non-process buildings and stockpile areas. The bulk earthworks design package is now being issued for tender.

The power supply system design is close to completion with a leading domestic power utility contracted to provide input to close out this workstream. As previously advised, solar and hydro power already make significant contributions to the Namibian national grid with more committed solar capacity to come on-stream and more recently plans for the country's first green hydrogen plant. It is expected that at least 80% of grid power will be from renewable sources by 2025.

Site works at Karibib are scheduled to start in the March 2022 quarter, conditional on finance being secured. A considerable tonnage of high-grade in-situ lepidolite mineralisation is exposed at surface at Rubicon with minimal requirement for mining of waste. Ore mining is planned to start in November 2022, ahead of concentrator commissioning.

### **Chemical Conversion Plant (100%), Abu Dhabi**

The Phase 1 Chemical Conversion Plant is largely permitted with environmental approval to construct granted and land lease terms agreed. The Musataha lease agreement was signed in early October with Abu Dhabi Ports Company PJSC, securing the 57,000m<sup>2</sup> site for the Phase 1 chemical plant for an initial term of 25 years. The site is located within KIZAD, an industrial free zone, which allows full foreign business ownership as well as tax exemptions on imports and exports. Under the Musataha Agreement, the off-site infrastructure will be delivered by ADP (the parent company of KIZAD) to the site boundary, which will include natural gas, 11kV power, potable water, sewer services, access roads and drainage. Khalifa Port, the deep-water container terminal, where concentrate from Walvis Bay, Namibia will be imported is just 15km by road from the plant site.

Following the signing of the Musataha, Lycopodium started working with ADP to design the on-site infrastructure and tie-ins to all utilities.

Lepidico has applied for the gypsum residue from the chemical plant to be qualified for use as a road construction material. A higher value application is also being explored, to sell all or part of the gypsum stream for use as a set retarder and strength accelerator in cement (see Product Marketing below for more detail). Such application will enhance the Phase 1 chemical plant's environmental credentials, as a zero process waste facility.

Lycopodium issued tenders for most of the major equipment packages early in the quarter. By early October multiple complete bids had been received for both the filter and crystalliser long lead item packages. Work has started on the first phase of reliability/availability/maintainability modelling which will be embedded in the FEED to ensure workable plant maintenance strategies. This work, which will include the delivery of the control estimate for chemical plant construction remains on schedule for completion this quarter.

In early October, Lepidico management undertook their first business trip to the UAE in more than eighteen months. This proved essential to advance the agreement of binding terms for a three year sulphuric acid supply contract.

Phase 1 represents a unique opportunity globally for production of the strategic metals: rubidium and caesium, for which the United States is totally reliant on imports. Furthermore, lithium, caesium, rubidium and potash, the main Phase 1 products, are all on the U.S. Government list of 35 Critical Minerals, making Lepidico's technologies and the Phase 1 chemical plant strategically significant.

### **Best in class greenhouse gas emissions**

During the quarter Lepidico built on the excellent foundation work on greenhouse gas (GHG) emissions completed by leading industry environmental consultant GHD in July 2021. GHD advised that Scope 1 and 2 emissions<sup>1</sup> intensity associated with the Abu Dhabi Phase 1 chemical plant was just 7.46t CO<sub>2</sub>-e/t<sup>2</sup> lithium hydroxide, which are, "low compared with other emission intensities reported or derived from lithium hydroxide production facilities." Similar emissions associated with mining and the mineral concentrator gave an emissions intensity of 0.13t CO<sub>2</sub>-e/t concentrate (1.37t CO<sub>2</sub>-e/t lithium hydroxide), which is, "comparable with other similar lithium mine and concentrator projects."

Evaluation of GHDs work has identified opportunities to reduce aggregate Scope 1 and 2 missions to less than 3.0t CO<sub>2</sub>-e/ t Lithium Carbonate Equivalent (LCE); an industry leading position.

The largest single source of Phase 1 GHG emissions, equivalent to 4.43t CO<sub>2</sub>-e/t LiOH, is the use of natural gas in the boiler, which is employed to generate process heat. Opportunities are now being evaluated to not just reduce natural gas consumption from DFS estimates but eliminate its use entirely.

Solar pre-heating of boiler feed water will materially reduce natural gas consumption and can be implemented prior to commissioning in 2023. The required process heat temperature is relatively low at 165°C, which allows renewable energy solutions to be considered to further reduce or eliminate natural gas consumption prior to or soon after start-up. The plant is also planned to be futureproofed by installing a hydrogen-enabled or hydrogen-ready boiler, which is being contemplated for the Phase 1 plant. This will provide an alternative for the decarbonisation of all process heat when burning green hydrogen.

At Karibib, the largest single Scope 1 emission is associated with diesel fuel usage, of which 28% will be consumed by trucks hauling ore and mine waste. Electrification of this small truck fleet is envisaged via equipment lease once suitable units become available.

Grid power supplied at Karibib already includes a significant renewable component with more projects planned in the coming years. By 2025 it is estimated that 80% of power will be generated from renewable sources<sup>3</sup>. The UAE is also committed to progressively decarbonising its grid with 25% of non-fossil fuel power generation planned by 2023<sup>4</sup>. This is when Lepidico's Phase 1 plant is scheduled to commission.

To fast-track material reductions in Scope 2 emissions, off-grid renewable power solutions are being evaluated for both operating sites.

Excellence in environmental stewardship, which includes demonstrating that products have low associated CO<sub>2</sub>-e emissions, is now almost essential for chemicals supplied for EV manufacture, particularly for vehicle sales into the European and North American markets. This ethical sourcing of chemicals also extends to the evaluation of water and land usage, both of which can be challenging for certain types of lithium deposits and processes. This is not the case when employing Lepidico's

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<sup>1</sup> Scope 1 covers direct emissions from owned or controlled sources. Scope 2 covers indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the reporting company. Scope 3 includes all other indirect emissions that occur in a company's value chain.

<sup>2</sup> Tonnes of carbon dioxide equivalent

<sup>3</sup> NamPower Investors Briefing, July 2019

<sup>4</sup> Department of Commerce, United Arab Emirates – Country Commercial Guide: Conventional Power

proprietary process technologies, which will be commercialised in the Company's integrated Phase 1 Project that is now in its initial development phase.

## **Product Marketing**

Excellent progress continues to be made in securing binding offtake agreements, particularly for the high-value products to be manufactured by the Phase 1 Chemical Plant.

Lithium supply discussions continue to be prioritised with three consumers involved in EV supply chains, with further unsolicited inbound enquiry received during the last quarter. Agreement of binding terms with at least one consumer is targeted for the current quarter, for sufficient committed annual tonnage of lithium hydroxide to support Phase 1 debt funding requirements and prospective lenders to complete confirmatory due diligence. Maintaining optionality for a proportion of spot sales is considered to offer an appropriate balance between risk management and revenue maximisation.

Rapid tightening in the lithium market has continued to be seen, with fundamental supply-demand deficits already emerging for certain lithium products. Leading industry commentator Benchmark Mineral Intelligence (BMI) recently advised that, "the lithium deficit in 2025 will be bigger than industry was in 2016", when global supply was estimated to be just over 200,000t LCE.

In the longer term demand is forecast by BMI to grow to over 2.3 million tonnes LCE by 2030 with an annual supply deficit approaching as much as 1 million tonnes as producers struggle to bring new projects on stream.

As advised in the previous quarterly, one consumer has advised that it requires a relatively substantial sample of lithium hydroxide for evaluation which requires the pilot plant to be run again for a two week steady state campaign. This was committed to in September (see R&D below).

The caesium market continues to be just as dynamic as lithium. Caesium consumers have advised that the caesium market is on the cusp of significant tightening as one of just two size producers of caesium chemicals globally ceases production due to depletion of a major pollucite raw material feed source. Lepidolite is a viable alternative source of caesium when processed using Lepidico's proprietary hydrometallurgical technologies, developed over the past eight years.

Over the past year, discussions with a range of caesium consumers have allowed product specifications to be developed for the relatively broad industrial applications of caesium sulphate, caesium hydroxide and caesium carbonate. A hydrometallurgical refining process to produce catalyst quality caesium sulphate has been developed (see R&D below), with subsequent process steps for conversion to hydroxide or carbonate. Positive feedback has been received from a range of consumers on the specifications for these products. Caesium chemical samples were prepared last quarter and have been dispatched for customer testing. Lepidico is seeking binding caesium offtake terms this current quarter, to allow due diligence by prospective lenders.

Samples of the gypsum residue, sulphate of potash (SOP) and amorphous silica are currently being evaluated by industrial consumers in the UAE. The gypsum residue is being evaluated as a substitute for imported mineral gypsum, used as a cement retarder. An application has also been made for the gypsum material to be used as a road construction material. Application of the gypsum as an industrial product will allow Lepidico to realise its goal of the Phase 1 chemical plant being a zero process waste facility.

Lepidico has appointed a Commercial Manager in the UAE, its first employee in the region, to manage the marketing of and logistics for the Phase 1 bulk by-products.

## **Phase 2 Plant Scoping Study**

Further work was undertaken to identify strategic locations within the United States for a Phase 2 chemical plant. Further commitments to develop an integrated EV supply chain in the U.S. are required before further location optimisation work can be undertaken. The short list of three provisional locations has been developed with the objective of identifying specific sites in early 2022 once the Phase 1 Project has advanced to full implementation.

Walvis Bay in Namibia and Abu Dhabi will continue to be evaluated as prospective locations for a Phase 2 plant along with a possible location in Europe. The Scoping Study contemplates a nominal output capacity of 20,000tpa lithium carbonate equivalent (LCE). Under the Phase 1 DFS a scoping study capital estimate was developed for a Phase 2 Project, with associated capital intensity estimated to be US\$16,900/t LCE and just US\$10,500/t LCE on a net of by-products basis. Mineral Resource development activities to support the Phase 2 study progressed during the quarter (see below).

## RESEARCH & PRODUCT DEVELOPMENT

Following considerable interest in the new supply of chemical products from the Phase 1 plant, the Company confirmed it will undertake a further comprehensive pilot plant campaign. A 22 tonnes ore sample from Karibib has already been crushed, milled, concentrated and filtered to produce 8 tonnes of lithium mica feed for the pilot plant, with an estimated grade of 3.7% Li<sub>2</sub>O. Strategic Metallurgy is expected to report on this feed preparation program in November following receipt of all assays.

Strategic Metallurgy is well advanced on upgrading the L-Max<sup>®</sup> and LOH-Max<sup>®</sup> pilot plant circuits, with leach capacity of 30t/hr, twice that in the previous plant configuration. Commissioning of the pilot plant leach circuit is expected to start mid- November, with lithium hydroxide production scheduled to start in January 2022. Other deliverables include production of sample volumes of caesium sulphate, hydroxide and carbonate, rubidium sulphate, SOP, amorphous silica and gypsum residue. Another objective of the campaign is to allow debt financiers to conduct confirmatory due diligence on the Phase 1 process flowsheet.

As outlined above, discussions with caesium customer over the past nine months have allowed specifications to be developed for a number of specific industrial applications that require caesium sulphate, caesium hydroxide and caesium carbonate. Process development test work in the intervening period led Lepidico to lodge a provisional patent application during the quarter for the manufacture of ternary Cs-Rb-K compounds generated from lithium mica source material, for use in a wide range of catalysis. Annual demand from chemical catalyst applications is estimated to range between 300t to 400t in a total caesium market of between 1,000t and 1,200t pa, on a contained metal basis. Lepidico's Phase 1 chemical plant is designed to produce up to 200t pa of caesium metal in chemicals.

## EXPLORATION & RESOURCE DEVELOPMENT

### Karibib Project (80%)

Lepidico is pursuing a strategy of maximising the value of its exploration properties by implementing programs targeted at a range of metals, which the Namibian properties are prospective for and include lithium, caesium, rubidium, tantalum, gold, copper, tungsten and uranium.

Exploration activities were curtailed early in the last quarter due to the necessity to close the Karibib camp due to a number of COVID-19 cases amongst employees. The camp reopened in late July and field activities resumed, including drilling. Assay turnaround times increased to as long as three months as analytical laboratories have been challenged by pandemic impacts while experiencing strong demand.

### Near Mine & Regional Exploration

The main objectives of these programs is to both extend the life of Phase 1 Project from 14-years based on current Ore Reserves to over 20 years and to expand the Mineral Resource base to support the Phase 2 Project Scoping Study.

A total of 25 holes for 1,495 metres of reverse circulation (RC) drilling was completed during the quarter over the Rubicon North, Rubicon West and Marble Hill pegmatites, along with two blind conceptual targets identified using an in-house geophysical modelling algorithm (Table 1). The

drilling was undertaken from June to August. Samples were dispatched for multi-element analysis in early July and mid-August, with final assays received in October.

**Table 1.** Karibib Project RC Drilling completed during the September Quarter 2021

Hole	Northing	Easting	RL	Depth	Dip	Azimuth	Prospect
ERCH023	7558930	603151	1309	50	-60	140	Marble Hill
ERCH024	7558933	603143	1262	40	-60	140	Marble Hill
ERCH025	7558888	603100	1268	51	-60	140	Marble Hill
ERCH026	7558891	603090	1267	51	-60	140	Marble Hill
ERCH027	7558941	603125	1262	40	-60	140	Marble Hill
ERCH028	7559566	604947	1308	63	-60	155	Helikon South; ERT019
ERCH029	7559465	605026	1310	50	-60	155	Helikon South; ERT019
ERCH030	7556911	600516	1275	100	-60	200	Rubicon Northwest; ERT001
RRCH026	7555725	602845	1258	56	-60	225	Rubicon North
RRCH027	7555704	602875	1260	50	-60	225	Rubicon North
RRCH028	7555721	602887	1261	32	-60	225	Rubicon North
RRCH029	7555746	602809	1259	50	-60	225	Rubicon North
RRCH030	7555843	602038	1266	100	-60	225	Rubicon West
RRCH031	7555793	601943	1266	100	-60	225	Rubicon West
RRCH032	7555859	601992	1264	75	-60	225	Rubicon West
RRCH033	7555806	601895	1266	101	-60	225	Rubicon West
RRCH034	7555830	601913	1266	50	-60	225	Rubicon West
RRCH035	7555882	601952	1267	63	-60	225	Rubicon West
RRCH036	7555820	601849	1265	51	-60	225	Rubicon West
RRCH037	7555817	601961	1267	43	-60	225	Rubicon West
RRCH038	7555820	601849	1269	36	-60	225	Rubicon West
RRCH039	7555899	601909	1267	68	-60	225	Rubicon West
RRCH040	7555829	601797	1267	36	-60	225	Rubicon West
RRCH041	7555916	601847	1270	69	-60	225	Rubicon West
RRCH042	7555769	602775	1259	34	-60	225	Rubicon North
<b>25 holes</b>				<b>1459 m</b>			

The Marble Hill prospect sits roughly half-way between Rubicon and the Helikon workings to the north and is defined by sporadic outcrop of pegmatite with minor lepidolite over a 700 m strike. It was previously drilled with north-directed drill holes with only one pegmatite intercept. A review of data resulted in a short program of 5 holes drilled to the south, with all five holes intersecting a quartz-albite-muscovite pegmatite up to 16 m thick down-hole with an average true thickness of 9 m and a down dip extent of over 100 m, dipping 20° north. Low grade lithium mineralisation was recorded (3m @ 0.30% Li<sub>2</sub>O in hole ERCH025), similar to that seen at the margins of Rubicon and Helikon 1. Only 80 m of the 700 m strike was tested by this program. Further drilling is planned.

Rubicon North, located 200 m from the main Rubicon line, is a parallel pegmatite with an average true thickness of 4 m. Modest grade lithium mineralisation (2 m @ 0.41% Li<sub>2</sub>O in hole RRCH042) was encountered, associated with zones of lepidolite enrichment. The pegmatite remains open along strike and down dip leaving some potential for blow-outs in both thickness and grade, which may be tested in a future program.

At Rubicon West, 12 holes were drilled to test an additional 250 metre strike extension of the main pegmatite system. Lithium mineralisation is generally absent confirming closure of the Rubicon deposit westwards.

In-house analysis of geophysical signatures of lepidolite-rich pegmatites at Karibib resulted in the formulation of a regional 'mapping algorithm' that targeted potential sites that host blind (non-outcropping) lepidolite pegmatites. 28 such targets have been delineated to date. Two of these, ERT001 (one hole) and ERT019 (two holes), were tested by 'wildcat' drill holes during the quarter. Both targets returned wide intercepts of pegmatitic granite, albeit un-mineralised.

All of the regional conceptual LCT pegmatite targets are undergoing evaluation via portable XRF analysis of soils to prioritise targets for future drill testing, planned to start later this quarter.

Additional geochemical surveys are scheduled for the current quarter at a three kilometre long gold target identified within EPL 5439. This target is defined by distinct geophysical and geological similarities to known large-scale vein-hosted gold deposits in the Karibib district.

## **CORPORATE**

The health, safety and wellbeing of our people, staff and contractors, remains of paramount importance. The additional precautions associated with the COVID-19 pandemic remained in place during the quarter, including suspension of all business travel, along with working from home and adherence to local safety protocols in the jurisdictions in which we operate. All staff in Canada and the UK are now fully immunised, which has allowed limited business travel. Vaccine availability in Namibia is limited, however, some staff have managed to get immunised, with Lepidico looking to assist where possible.

Lepidico has joined the Australia Arab Chamber of Commerce and Industry (AACCI), the peak national association for two-way trade and investment between Australia and the Arab League countries, established in 1975. AACCI's mission is to assist Australian companies exporting to or expanding into Middle East and North African (MENA) markets and Arab companies looking to invest in Australia.

As at 30 September 2021, the Company held \$11.9 million in cash and cash equivalents.

### **Project Finance**

The Company continues to make good progress on offtake for its products and in assembling a project financing package, with the support of debt advisor Lions Head Global Partners (Lions Head).

In October 2020, the Company entered into a formal Mandate Agreement with DFC to undertake detailed due diligence on the Project, with a view to providing the necessary debt financing for the Namibian portion. DFC appointed BDA as the independent engineer to undertake detailed technical due diligence which continued during the quarter. During the quarter, DFC undertook a site visit in Namibia and visited the mine site as well as key stakeholders including government agencies and Huni-/Urib director representatives. A site visit to Abu Dhabi remains a possibility as well as a visit to the pilot plant when in operation.

### **Patents & Licences**

At 30 September 2021, the Company holds granted patents for its L-Max<sup>®</sup> technology in the United States, Europe, Japan and Australia, along with an Innovation Patent in Australia. National and regional phase patent applications are well advanced in the remaining other key jurisdictions and these processes are expected to continue during calendar year 2021. The Company also has a US patent for its process technology for lithium recovery from phosphate minerals, which include amblygonite.

The Company entered the national and regional phase of the patent application process for LOH-Max<sup>®</sup> under PCT/AU2020/050090 which is expected to continue into 2022.

The national phase patent applications are progressing in relation to S-Max<sup>®</sup> under PCT/AU2019/050317 and PCT/AU2019/050318 and for the production of caesium, rubidium and potassium brines and other formates under PCT/AU2019/051024. The national and regional phase applications are expected to continue into 2022.

On 1 April 2021 a provisional patent application for the lithium carbonate recovery process from a raw lithium hydroxide material was filed.

On 1 October 2021 a provisional patent application was filed for the preparation of Cs-Rb-K alkali salt solutions from lithium mica mineral source material. This refining process has application in tailoring ternary materials for industrial catalyst applications.

**Exploration and Resources**

The information in this report that relates to Exploration Results or to an Exploration Target is based on information compiled by Mr Tom Dukovcic, who is a full-time 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 Dukovcic 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 & Management

Gary Johnson	Non-Executive Chairman
Joe Walsh	Managing Director
Mark Rodda	Non-Executive Director
Cynthia Thomas	Non-Executive Director
Tom Dukovcic	GM Geology
Peter Walker	GM Project Development
Shontel Norgate	CFO & Joint Company Secretary
Alex Neuling	Joint Company Secretary

### Registered & Principal Office

23 Belmont Avenue, Belmont, WA 6104, Australia

### Stock Exchange Listings

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

### Forward Shareholder Enquiries to

Automic Registry Services  
Level 2, 267 St Georges Terrace  
Perth WA 6000

All correspondence to:  
GPO Box 5193  
Sydney NSW 2001

Telephone: 1300 288 664 (within Australia)  
+61 (0) 2 9698 5414  
Email: [hello@automicgroup.com.au](mailto:hello@automicgroup.com.au)  
Website: [www.automicgroup.com.au](http://www.automicgroup.com.au)

### Issued Share Capital

As at 30 September 2021, issued capital was 6,152,166,298.  
As at 27 October 2021, issued capital was 6,152,439,816.

### Quarterly Share Price Activity

	High	Low	Close
July - September 2021	2.9c	1.1c	2.3c

Authorised for release by the Managing Director.

### Further Information

For further information, please contact

**Joe Walsh**  
**Managing Director**  
**Lepidico Ltd**  
Tel: +1 647 272 5347

**David Waterhouse**  
**Waterhouse IR**  
Tel: +61(0)3 9670 5008

Email: [info@lepidico.com](mailto:info@lepidico.com)  
Website: [www.lepidico.com](http://www.lepidico.com)

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

NAMIBIAN OPERATIONS, Karibib Project

### Karibib Project Tenement Schedule

Tenement ID	Registered Holder	Lepidico Interest	Expiry Date	Area
<b>ML 204</b>	Lepidico Chemicals Namibia (Pty) Ltd	80%	18/06/2028	69 km <sup>2</sup>
<b>EPL 5439</b>	Lepidico Chemicals Namibia (Pty) Ltd	80%	27/10/2021	225 km <sup>2</sup>
<b>EPL 5555<sup>1</sup></b>	Lepidico Chemicals Namibia (Pty) Ltd	80%	03/04/2021	539 km <sup>2</sup>
<b>EPL 5718</b>	Lepidico Chemicals Namibia (Pty) Ltd	80%	07/05/2022	200 km <sup>2</sup>

**Notes:**

1. Licence expired 3 April 2021; application for a 2-year renewal lodged, pending approval.

## PAYMENTS TO RELATED PARTIES OF THE ENTITY AND THEIR ASSOCIATES

Payments made during the quarter and included in Item 6.1 of the Appendix 5B – Mining Exploration Entity Quarterly Cash Flow Report, comprise the following:

Item 6.1: Aggregate amount of payments to related parties and their associates included in cashflows from operating activities is \$363,000:

	<b>\$'000</b>
Remuneration	248
Directors Fees	71
Payments to Director Related Entities (Development)	44
<b>Total included in 6.1</b>	<b><u>363</u></b>

**APPENDIX 1. JORC Code (2012) Table 1 Report: Karibib Project Reverse Circulation Drilling June-Oct 2021.**

**Section 1: Sampling Techniques and Data**

Criteria	JORC Code explanation	Commentary
Sampling techniques	<i>Nature and quality of sampling (eg 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>	Reverse Circulation (RC) percussion drill chips collected through a cyclone at 1m intervals down the hole and laid on ground. Scoop used to collect 1m samples through pegmatite intercepts, and selected samples of host rock, of 2kg - 3kg weight.
	<i>Include reference to measures taken to ensure sample representativeness and the appropriate calibration of any measurement tools or systems used.</i>	Samples were kept dry; single metre samples collected.
	<i>Aspects of the determination of mineralisation that are Material to the Public Report.</i>	Pegmatite mineralisation and intervals of pegmatitic granite determined visually. Samples were sent to ALS laboratories in Okahandja (Namibia) for sample prep, with analysis for a multi-element suite by ALS method ME-MS61 (four acid digest and ICP-MS finish) through ALS laboratories in Johannesburg, South Africa
	<i>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g 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 (eg submarine nodules) may warrant disclosure of detailed information.</i>	The drilling program was designed to test lepidolite-bearing pegmatites to gauge the presence and continuity of lepidolite mineralisation at depth as well as two conceptual targets for LCT pegmatite mineralisation.
Drilling techniques	<i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg 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>	All holes were completed by the reverse circulation (RC) drilling method. A 4.5" face sampling hammer was used to a maximum depth of 101 m.
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	Samples were visually inspected for recovery with any sample differing from the norm noted in the logs.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	Samples were kept dry.
	<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>	Sample recovery was adequate for the drilling technique with no sample bias occurring.
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>	Chip samples were geologically logged on a 1m interval by the geologist on site overseeing the drill program. A small sample of each metre was washed, collected and archived in chip trays.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	Logging recorded abundance and type of minerals, veining, alteration, mineralisation, colour, weathering and rock types using a standardised logging system.
	<i>The total length and percentage of the relevant intersections logged.</i>	All holes were logged over their entire length.
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	Not applicable, no core drilling was conducted.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	All chip samples were dry and collected using a scoop. Equal portions were taken from each sample pile to produce representative samples.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	Samples were sent to ALS Minerals laboratories in Okahandja, Namibia, where the entire sample was crushed, >70% -6mm fraction, then pulverised to 85% passing 75 microns or better.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representativeness of samples.</i>	RC drilling; maximising sample size for each metre interval is considered appropriate for representativeness of 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>	Sampling technique and size is considered appropriate for this stage drilling program.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	The larger sample size of RC drilling is considered appropriate for the style of mineralisation and material being sampled.
<i>Quality of assay data and laboratory tests</i>	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	Samples were sent to ALS laboratories, with analysis of a 48 element suite by four acid digest and ICP-MS finish (ME-MS61) through ALS laboratories in Johannesburg, South Africa. The method results in the near total dissolution of the sample. Rare earth elements may not be totally soluble in this method (not considered important).
	<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>	Not applicable, no instruments used.
	<i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i>	Standards, blanks and/or field duplicates were inserted approximately every ten samples.
<i>Verification of sampling and assaying</i>	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	A minimum of 2 company geologists have verified significant intersections.
	<i>The use of twinned holes.</i>	No twinned holes were drilled and are not considered necessary for this stage of drilling.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	Drilling data was stored on-site utilising Maxwell™ Logchief tablet computers which were synchronised frequently via Johannesburg with the main Maxwell™ Dashed database located offsite in Perth.
	<i>Discuss any adjustment to assay data.</i>	There has been no adjustment to assay data.
<i>Location of data points</i>	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	Drill hole coordinates were determined using a handheld GPS.
	<i>Specification of the grid system used.</i>	WGS84/UTM33S
	<i>Quality and adequacy of topographic control.</i>	RL determined using handheld GPS
<i>Data spacing and distribution</i>	<i>Data spacing for reporting of Exploration Results.</i>	Twenty-five drill holes across five prospects were largely spaced on nominal 40 m sections and otherwise as determined by the site geologist.
	<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>	The drilling is exploration in nature and not at a stage where a Mineral Resource estimation is appropriate.
	<i>Whether sample compositing has been applied.</i>	One metre samples were collected though pegmatite intervals. The host rock was sampled as and when deemed anomalous by the site geologist.
<i>Orientation of data in relation to geological structure</i>	<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>	The holes were drilled on nominally N-S orientation, azimuth ranging from 140 to 225 degrees, and essentially perpendicular to the target. The drill orientation is considered appropriate for the early stage of drilling and the target type.
	<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 sampling bias is considered to have been introduced.
<i>Sample security</i>	<ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>	The samples were bagged and securely transported by courier to the ALS sample preparation laboratory in Okahandja.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>	No audits or reviews were conducted for this sampling program.

## Section 2: Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> </ul>	The drilling was conducted over Mining Licence ML 204, covering an area of 69 km <sup>2</sup> . The ML is held by Lepidico Chemicals Namibia (Pty) Ltd and was granted for a ten-year term by the Ministry of Mines and Energy on 20 August 2018 for the mining of Base and Rare Metals, Industrial Minerals and Semi-Precious Stones. The mining licence includes the Rubicon and Helikon lithium deposits and incorporates the Namibian Government-owned farm, Okangava Ost 72.
	<ul style="list-style-type: none"> <li>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.</li> </ul>	Tenure is secure with no known impediments other than as detailed immediately above.
Exploration done by other parties	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	Exploration was conducted by Lepidico staff and contractors.
Geology	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	LCT-type pegmatites of the Karibib Pegmatite Belt within the southern Central Zone of the Damara Belt.
Drill hole Information	<ul style="list-style-type: none"> <li>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: <ul style="list-style-type: none"> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth</li> <li>hole length.</li> </ul> </li> </ul>	Refer to Table 1 of the parent report.
	<ul style="list-style-type: none"> <li>easting and northing of the drill hole collar</li> </ul>	Refer to Table 1 of the parent report
	<ul style="list-style-type: none"> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> </ul>	Refer to Table 1 of the parent report
	<ul style="list-style-type: none"> <li>dip and azimuth of the hole</li> </ul>	Refer to Table 1 of the parent report
	<ul style="list-style-type: none"> <li>down hole length and interception depth</li> </ul>	Refer to Table 1 of the parent report
	<ul style="list-style-type: none"> <li>hole length.</li> </ul>	Refer to Table 1 of the parent report
	<ul style="list-style-type: none"> <li>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	N/A
Data aggregation methods	<ul style="list-style-type: none"> <li>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</li> </ul>	N/A
	<ul style="list-style-type: none"> <li>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.</li> </ul>	N/A
	<ul style="list-style-type: none"> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	N/A
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <li>These relationships are particularly important in the reporting of Exploration Results.</li> </ul>	Mineralised widths are approximately equal to downhole intercepts.
	<ul style="list-style-type: none"> <li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> </ul>	The target pegmatites are mostly dipping northwards at angles varying between 20 and 60 degrees and thus intercept widths are reasonably close to true widths.
	<ul style="list-style-type: none"> <li>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</li> </ul>	As above.

<i>Diagrams</i>	<ul style="list-style-type: none"> <li>• <i>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.</i></li> </ul>	Not provided. Interpretation of results and geological data still incomplete.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> <li>• <i>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.</i></li> </ul>	Reporting is summary and only of relevant pegmatite intercepts as logged by the site geologist. Wall rocks are not mineralised and are not of interest.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <li>• <i>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.</i></li> </ul>	Reporting is only of relevant pegmatite intercepts as logged by the site geologist. Wall rocks are not mineralised and are not of interest.
<i>Further work</i>	<ul style="list-style-type: none"> <li>• <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li> </ul>	Future immediate work will entail a full interpretation of results ahead of making a determination on subsequent work, which might include additional drilling, mapping, and geochemical survey of the balance of the area for additional LCT-type pegmatite anomalism, and subsequent drilling of anomalies if warranted.
	<ul style="list-style-type: none"> <li>• <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></li> </ul>	N/A

*The information in this report that relates to Exploration Results is based on information compiled by Mr Tom Dukovcic, 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 Dukovcic consents to the inclusion in this report of information compiled by him in the form and context in which it appears.*

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## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Lepidico Ltd

ABN

99 008 894 442

Quarter ended ("current quarter")

30 September 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (expensed)	-	-
(b) development	(943)	(943)
(c) production	-	-
(d) staff costs	(697)	(697)
(e) administration and corporate costs	(560)	(560)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (COVID-19 incentives)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(2,200)</b>	<b>(2,200)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation (capitalised)	(623)	(623)
(e) investments	-	-
(f) other non-current assets	-	-

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) 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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(623)</b>	<b>(623)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	2	2
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(19)	(19)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings (convertible debt securities)	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(17)</b>	<b>(17)</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	14,738	14,738
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,200)	(2,200)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(623)	(623)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(17)	(17)

Appendix 5B

**Mining exploration entity or oil and gas exploration entity quarterly cash flow report**

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	(14)	(14)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>11,884</b>	<b>11,884</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	11,884	14,739
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>11,884</b>	<b>14,739</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	363
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities	
7.2	Credit standby arrangements **	2,925
7.3	Other	-
7.4	<b>Total financing facilities **</b>	2,925
7.5	<b>Unused financing facilities available at quarter end</b>	Up to 4,575
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	
	<p>** On 23 December 2019 the Company executed a Controlled Placement Agreement (CPA) with Acuity Capital to provide Lepidico with up to \$7.5 million of standby equity capital to February 2022. Under the CPA Lepidico sets a floor price and the final issue price will be calculated as the greater of that floor price and a 10% discount to a Volume Weighted Average Price (VWAP) over a period nominated by Lepidico. As collateral for the CPA, Lepidico issued 230,000,000 ordinary shares from its LR7.1 capacity, at nil consideration to Acuity Capital ("Collateral Shares") but may, at any time, cancel the CPA and buy back the Collateral Shares for no consideration (subject to shareholder approval).</p> <p>On 19 April 2021 the Company announced it had raised A\$2,925,000 (after costs) through the set-off of 134,000,000 collateral shares (Set-off Shares) previously issued to Acuity Capital under the Controlled Placement Agreement (CPA) as announced on 23 December 2019. The Set-Off Shares reduces the total 230,000,000 collateral shares which Acuity Capital is otherwise required to return to the Company upon termination of the CPA. The unused facility reduced by \$2.925 million following the capital raise and cash increased by \$2.925 million.</p>	

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	(2,200)
8.2	(623)
8.3	(2,823)
8.4	11,884
8.5	Up to 4,575
8.6	16,459
8.7	5.8
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:  
Although the Company has positive relevant outgoings at Item 8.3 it provides the following information due to the nature of the cash from operating activities during the quarter.

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

### 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.

Date: .27 October 2021.....

Authorised by: .....By the Board.....  
(Name of body or officer authorising release – see note 4)

### Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.