

Quarterly Report

For the quarter ended 31 March 2021

ASX:LKE | FRA:LK1 | OTC:LLKKF
lakeresources.com.au

Highlights

- Excellent performance of Lake's high purity 99.97% battery quality lithium carbonate in NMC-622 lithium-ion battery test cells conducted by Novonix.
- Testing conducted using lithium carbonate produced from lithium chloride from Lilac Solutions' pilot plant module using Lake's Kachi brines. Similar results anticipated at full production scale.
- Definitive Feasibility Study (DFS) progressing for Kachi Lithium Brine Project with Hatch as lead consultant, with completion anticipated in Q1 2022. An expansion case is being prepared separately.
- Exploration continuing across Lake's four lithium projects with testing of brines from Cauchari underway.
- Lake secured global institutional support via A\$20m placement, funding Company through to key investment decision for Kachi construction finance, anticipated mid 2022. Cash of A\$24 million as at end March.
- Strong financial results generated from a refreshed Pre-Feasibility Study for the Kachi Project, with US\$1.6 billion NPV8 (post tax), 35% IRR and US\$260 million annual EBITDA, using a flat forward lithium carbonate price of US\$15,500/tonne.
- Project finance advisors appointed to negotiate with Export Credit Agencies (ECA's) to provide substantial debt finance for the Kachi Project.
- Discussions advanced with potential offtakers and electric vehicle makers due to the consistent high quality of the Kachi lithium product, together with a low CO2 footprint and small environmental footprint.
- Lithium prices increased ~100% in battery grade lithium carbonate price (China) during the March quarter. This provides opportunities for organic expansion to deliver battery materials into the growing demand for electric vehicles.

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Executive Summary

Lake Resources NL (ASX:LKE OTC:LLKKF) is a lithium developer utilising clean, direct extraction technology for the development of sustainable, high purity lithium products from its flagship Kachi Project (4.4mt LCE resource), as well as three other lithium brine projects in Argentina. No mining is involved in the brine processing.

The projects are in a prime location within the Lithium Triangle, where 40% of the world's lithium is produced at the lowest cost. Lake owns over 220,000 hectares (0.5 million acres) of leases, including one hard rock project, alongside all 5 major lithium producers.

This efficient, disruptive direct lithium extraction method (DLE) from our technology partner, Lilac Solutions, will enable Lake Resources to be an efficient, responsibly-sourced, environmentally friendly and cost competitive supplier of high-purity lithium carbonate.

High purity sustainable lithium is in demand by Tier 1 electric vehicle makers and battery makers. Lilac Solutions technology gained the investment support of major investors in February 2020. Pilot plant modules are operating at the Lilac facility in California USA using brines from Lake's Kachi Lithium Brine Project and produce lithium chloride for conversion into lithium carbonate for potential offtake partners

High purity battery quality lithium carbonate (99.97% purity) with very low impurities has been produced from lithium brines from Lake's Kachi project (refer ASX announcement 20 October 2020).

Positive test results demonstrate that Lake's high purity lithium carbonate performs well in NMC622-based lithium-ion battery test cells based on initial testing by Novonix (refer ASX announcement 2 March 2020).

Improved battery technologies and performance has significantly increased demand for high purity battery quality lithium with low impurities.

The environmental footprint of the lithium carbonate from the Kachi Project using Lilac's DLE process is far smaller than conventional brine evaporation processes or hard rock mining. The process involves the adaptation of a well known water treatment process (ion exchange) to produce lithium. This allows the return of virtually all water (brine) to its source without changing its chemistry, apart from lithium removal. The land use is significantly reduced while the planned use of solar hybrid power ensures a low carbon footprint. This is a better outcome for local communities and for the environment.

The Kachi Lithium Brine Project covers 74,000 ha over a salt lake south of Livent's lithium operation in Argentina with a large indicated and inferred resource of 4.4 Mt LCE (Indicated 1.0Mt, Inferred 3.4Mt) (refer ASX announcement 27 November 2018).

Strong financial results were generated from a refreshed Pre-Feasibility Study (PFS) over the Kachi Project (refer ASX announcement 17 March 2021 and 28 April 2020). A long-life, low cost potential operation was demonstrated with annual production target of 25,500 tpa of battery quality lithium carbonate by direct extraction.

The refreshed PFS showed a high value project (NPV8 of US\$1.6 billion) and an IRR of 35%, with the premium product generating high operating (EBITDA) margins (Annual EBITDA US\$260 million).

The Definitive Feasibility Study (DFS) is underway aiming for completion in Q1, 2022. Project finance advisors were appointed to arrange substantial debt finance from Export Credit Agencies (ECA's)

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Operations

Kachi Lithium Brine Project

Catamarca Province, Argentina

Lake Resources' 100%-owned Kachi Lithium Brine Project in Catamarca province, NW Argentina, covers an entire a large lithium brine-bearing basin with 39 mining leases (74,000 hectares).

The project is located at ~3000 m altitude, south of Livent's (FMC) Hombre Muerto Lithium brine operation (NYSE:LTHM) which is Argentina's longest operating lithium brine project.

Lake aims to bring the project towards production by using the efficient, low cost direct extraction technology from Lilac Solutions Inc, in California. Lilac has successfully produced high purity lithium chloride eluate from Kachi brine samples at pilot plant module scale using its proprietary ion-exchange direct lithium extraction (refer ASX announcement 3 July 2020).

Very high purity 99.97% lithium carbonate, with low impurities, was produced by Hazen Research in Colorado using a simple processing flowsheet following a series of tests (refer ASX announcement 20 October 2020). The tests at Hazen establish a significant reduction in impurities compared with 99.5% lithium carbonate, widely accepted as "battery grade" in the current market.

Positive test results demonstrate that Lake's high purity lithium carbonate performs well in NMC622-based lithium-ion battery test cells based on initial testing by Novonix (refer ASX announcement 2 March 2020).

Pricing in the lithium carbonate market is largely determined by lithium carbonate grade and the level and type of impurities. Discussions with offtakers have indicated the potential to achieve premium pricing and this information led to an updated PFS with a substantially higher lithium than previously modelled of US\$15,500/t

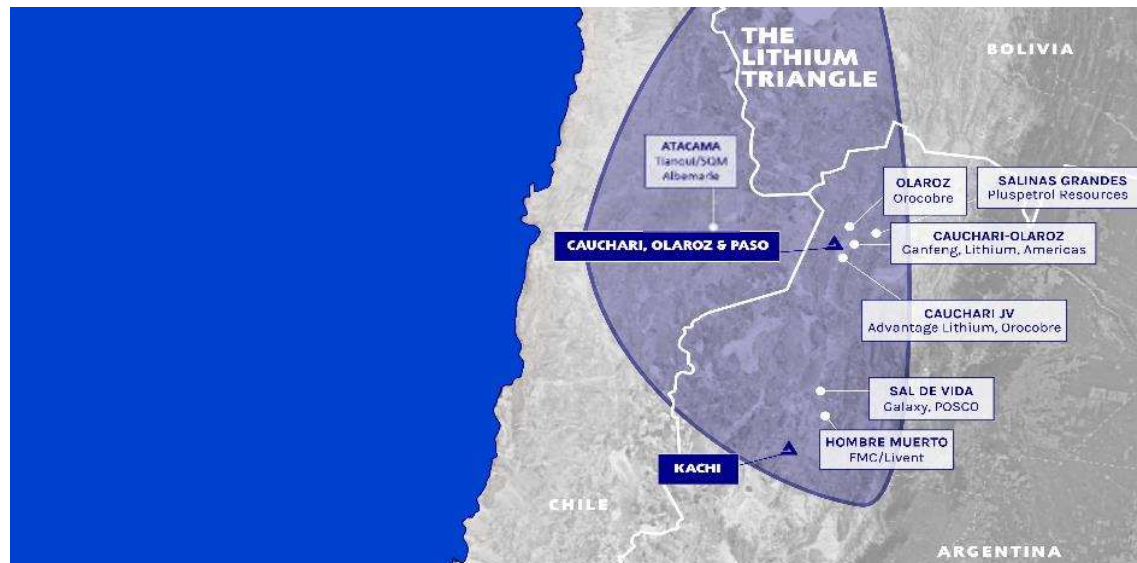


Figure 1: Location of Lake projects in north-west Argentina

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Kachi Lithium Brine Project

Definitive Feasibility Study (DFS)

The Definitive Feasibility Study (DFS) is underway for the Kachi Lithium Brine Project, with Hatch as the lead consultant. Completion is anticipated in Q1, 2022. The DFS is key to the development of the Kachi Lithium Brine Project as a sustainable and commercially successful producer of high quality lithium.

The Environmental and Social Impact Study (ESIA) is also underway, together with continued community engagement. A demonstration plant using Lilac's DLE process is planned to be commissioned on-site late in 2021.

Dr Nicholas Lindsay is the Executive Technical Director To manage the DFS and related work streams. Dr Lindsay is experienced in feasibility studies in South America.

Potential Expansion of Kachi Production

Lake is assessing a potential expansion to production of lithium carbonate equivalent (LCE) from Kachi as part of Lake's aspirational target to become a large producer of high purity sustainable lithium. Additional drilling will be undertaken to support an expansion case to allow for the conversion of Inferred Resources into the Measured and Indicated Mineral Resource category, during the Definitive Feasibility Study.

Refreshed Pre-Feasibility Study (PFS)

A strong financial outcome resulted from the Pre-Feasibility Study (PFS) being refreshed over the Company's flagship Kachi Lithium Brine Project. This was based on an updated lithium price forecast, without changing other parameters, for the planned 25,500 tpa lithium carbonate production over 25 years.

Kachi NPV8 increased 110% to US\$1.6bn (A\$2.1 billion) with a 35% IRR, based on an updated lithium price forecast of US\$15,500/tonne for high-purity battery grade lithium carbonate (CIF Asia) with annual EBITDA of US\$260 million (A\$350m).

The capital cost (capex) estimate of US\$544 million was unchanged, with an operating cost (opex) of US\$4178/tonne Li₂CO₃.

An energy optimisation study is reviewing a solar hybrid power alternative which is expected to lower the operating costs and also lower the carbon footprint.



Figure 2: Lithium brines being pumped into containers at the Kachi Project. Containers delivered to Lilac in California.

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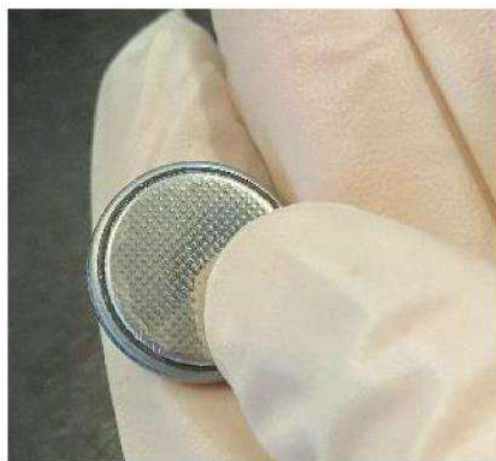
Kachi Lithium Brine Project

Successful Testing of High Purity Lithium in Batteries

Novonix Limited (ASX:NVX; OTCQX:NVNXF) used commercial samples from Tier 1 producers, together with samples of Lake's high 99.97% purity lithium carbonate, to conduct direct comparisons of Lake's product into NMC622 batteries. Lake's high-quality product yielded improved capacity retention and better electrochemical behaviour in battery cells compared to the commercially available product from Tier 1 producers.

Larger scale tests will be conducted as part of Novonix's pilot scale cell line facilities in Nova Scotia, Canada. This will enable offtakers and customers to make direct comparisons of Lake's lithium product's performance in batteries. Novonix anticipates this test process to take some months.

Novonix provides high precision battery testing equipment to Tier 1 battery makers including Panasonic, CATL, Samsung, SK Innovation and LG Chem. Recently, world-renowned lithium-ion battery researcher, Prof. Jeff Dahn, returned to Novonix as Chief Scientific Advisor, while continuing with Dalhousie University, in a group sponsored by Tesla.



Joint Financial Advisors Appointed for Kachi Project

SD Capital Advisory Limited and GKB Ventures Limited were appointed as joint financial advisors to structure and arrange project finance, with a focus on Export Credit Agencies (ECA's), for the development of the Company's flagship Kachi Lithium Brine Project in Argentina.

SD Capital Advisory Limited is a London-based independent financial boutique which focuses on securing project finance for corporates and junior resources companies in developed and frontier markets.

GKB Ventures Limited (GKB) is an independent consultancy helping clients to secure cross-border transactions and to access international finance via the Export Credit Agencies ("ECAs"). GKB has a track record of delivering access to government supported schemes, including ECA financing, creating bespoke solutions which are scalable for the long term. GKB is currently appointed on over USD \$4 billion of structured ECA financings and have successfully closed numerous projects in the last five years.

Export credit offers a low cost and secure form of debt funding which will maximise value for shareholders and minimise risks to the Company.



Figure 3: Novonix – Freshly assembled lithium-ion battery coin half-cell with Lake's lithium product: Hazen Research – Production of Lake's lithium carbonate product in lab in Colorado, USA..

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Cauchari, Olaroz and Paso Lithium Brine Projects

Jujuy Province, Argentina

Lake holds mining leases over 47,000 hectares over three projects in Jujuy Province in north-west Argentina, including the Cauchari, Olaroz and Paso Projects. At Olaroz, which is north of Cauchari, Lake's leases extend over 30 kilometres east and north of the adjoining Orocobre's Olaroz lithium production leases.

Lake is continuing the expansion of its lithium projects in response to strong market demand, based on direct lithium extraction from its Cauchari, Olaroz and Paso Brine Projects, in addition to its flagship Kachi Project.

Some 50,000 litres of lithium brine samples are to be sent from Lake's Cauchari Project for testing by groups specialising in direct lithium extraction and the conversion of concentrates to lithium hydroxide.

This will be followed by a scoping study to expand future production, with Lake planning to commence pre-feasibility study work at Cauchari, including environmental impact studies and drilling for a resource statement.

Lake has previously confirmed multiple high-grade lithium brines zones over a 506m interval (102m to 608m depth) in drilling in 2019 at the Cauchari Project (refer ASX announcement 23 August 2019).

This drilling confirmed similar grades and lithium brines extending into Lake's properties from the adjoining Ganfeng/Lithium Americas JV production development at Cauchari. The higher-grade results averaged 493 mg/L lithium over 343m (from 117m to 460m), up to 540 mg/L, with a Li/Mg ratio of 2.9.



Figure 4: Cauchari – Location of Lake's Cauchari results in relation to the Ganfeng/ Lithium America's production development

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Corporate

Cash Position and Finance

Lake held cash of A\$24 million as at 31 March 2020 (in AUD, USD and Argentine Pesos) with no debt.

The Company is financed for its current plans through to the Investment Decision and construction finance phase, including the Definitive Feasibility Study (DFS) for the Kachi project.

On 25 January 2021, Lake completed a private placement for A\$20.6 million (before costs) as 125 million new ordinary shares at an offer price of \$0.165 per share to institutional investors, with every two new shares having an attached option with an exercise price of A\$0.30 with a two year expiry (see ASX announcement 25 Jan 2021).

Other Facilities

The Company entered into a Controlled Placement Agreement in August 2018 with Acuity Capital Pty Ltd and the facility was extended and upsized on 27 November 2020. There are no requirements on the Company to utilise the facility.

Listed options have been progressively converted, with an exercise price of \$0.10 and an expiry of 15 June 2021.

The half year financial report to 31 Dec 2020 was released on 16 March 2021.

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Capital Structure

Lake has 1,020,883,568 shares on issue as at 30 April 2021. Listed Options include 38,373,649 options with an exercise price of \$0.10 (expiry 15 June 2021). Unlisted options include 15,000,000 options with an exercise price of \$0.09 (expiry July 2021). 73,750,000 unlisted options with an exercise price of A\$0.30 and a 9 Mar 2023 expiry, associated with the equity capital raise in January 2021 received shareholder approval. Also 1,000,000 unlisted options with an exercise price of A\$0.165 and a 27 Jan 2023 expiry.

An Extraordinary General Meeting of Shareholders was held on 9 March 2020, with all resolutions passed.

Payments to related parties of the entity and their associates:

Amounts paid and accrued to related parties of the entity and their associates during the quarter were \$161,296. These amounts related to normal Directors fees including the salary of the Managing Director and consulting fees for the company's technical director for supervisory work on the commissioning of the pilot plant and the Chairman for ongoing marketing and fundraising activities.

Twitter: https://twitter.com/Lake_Resources
LinkedIn: <https://www.linkedin.com/company/lake-resources/>
Website: <http://www.lakeresources.com.au>

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SCHEDULE OF TENEMENTS

TOTAL NUMBER

TENEMENTS:

81

TOTAL AREA TENEMENTS:

222,136 Ha

TENEMENT NAME	NUMBER	AREA Ha	INTEREST %	PROVINCE	STATUS
KACHI AREA					
Kachi Inca	13-M-2016	858	100	Catamarca	Granted
Kachi Inca I	16-M-2016	2881	100	Catamarca	Granted
Kachi Inca II	17-M-2016	2823	100	Catamarca	Granted
Kachi Inca III	47-M-2016	3354	100	Catamarca	Granted
Kachi Inca V	45-M-2016	305	100	Catamarca	Granted
Kachi Inca VI	44-M-2016	110	100	Catamarca	Granted
Dona Amparo I	22-M-2016	3000	100	Catamarca	Granted
Dona Carmen	24-M-2016	874	100	Catamarca	Granted
Debbie I	21-M-2016	1501	100	Catamarca	Granted
Divina Victoria I	25-M-2016	1266	100	Catamarca	Granted
Daniel Armando	23-M-2016	2116	100	Catamarca	Granted
Daniel Armando II	97-M-2016	1388	100	Catamarca	Granted
Escondidita	131-M-2018	373	100	Catamarca	Granted
Irene	28-M-2018	2250	100	Catamarca	Granted
Maria Luz	34-M-2017	2425	100	Catamarca	Granted
Maria I	140-M-2018	889	100	Catamarca	Granted
Maria II	14-M-2016	888	100	Catamarca	Granted
Maria III	15-M-2016	1396	100	Catamarca	Granted
Morena 1	72-M-2016	3025	100	Catamarca	Granted
Morena 2	73-M-2016	2989	100	Catamarca	Granted
Morena 3	74-M-2016	3007	100	Catamarca	Granted
Morena 4	29-M-2019	2968	100	Catamarca	Granted
Morena 5	97-M-2017	1415	100	Catamarca	Granted
Morena 6	75-M-2016	1606	100	Catamarca	Granted
Morena 7	76-M-2016	2805	100	Catamarca	Granted
Morena 8	77-M-2016	2961	100	Catamarca	Granted
Morena 9	30-M-2016	2822	100	Catamarca	Granted
Morena 12	78-M-2016	2704	100	Catamarca	Granted
Morena 13	79-M-2016	3024	100	Catamarca	Granted
Morena 15	162-M-2017	2559	100	Catamarca	Granted
Pampa I	129-S-2013	2312	100	Catamarca	Granted
Pampa II	128-M-2013	1119	100	Catamarca	Granted
Pampa III	130-M-2013	477	100	Catamarca	Granted
Pampa IV	78-M-2017	2569	100	Catamarca	Granted
Pampa 11	201-M-2018	815	100	Catamarca	Granted
Parapeto 1	133-M-2018	2504	100	Catamarca	Granted
Parapeto 2	134-M-2018	1259	100	Catamarca	Granted
Parapeto 3	132-M-2018	1892	100	Catamarca	Granted
Gold Sand I	238-M-2018	853	100	Catamarca	Granted
39 Mining leases		74382 Ha			

SCHEDULE OF TENEMENTS

TOTAL NUMBER
TENEMENTS:
81

TOTAL AREA TENEMENTS:
222,136 Ha

REF	TENEMENT NAME	NUMBER	AREA Ha	INTEREST %	PROVINCE	STATUS
OLAROSZ - CAUCHARI AREA						
	Cauchari Bajo I	2156-D-2016	354	100	Jujuy	Granted
	Cauchari Bajo II	2157-D-2016	354	100	Jujuy	Granted
	Cauchari Bajo III	2158-D-2016	122	100	Jujuy	Granted
	Cauchari Bajo V	2154-D-2016	946	100	Jujuy	Granted
	Cauchari West I	2160-D-2016	1936	100	Jujuy	Granted
	Olaroz Centro II	2164-D-2016	268	100	Jujuy	Application
	Olaroz East II	2168-D-2016	2072	100	Jujuy	Granted
	MASA 12	2234-M-2016	2901	100	Jujuy	Granted
	MASA 13	2235-M-2016	3000	100	Jujuy	Granted
	MASA 14	2236-M-2016	3000	100	Jujuy	Granted
	MASA 15	2237-M-2016	3000	100	Jujuy	Granted
PASO AREA						
	Paso III	2137-P-2016	2787	100	Jujuy	Granted
	Paso VI	2140-P-2016	2208	100	Jujuy	Granted
	Paso X	2144-P-2016	1833	100	Jujuy	Granted
	MASA 9	2231-M-2016	2978	100	Jujuy	Granted
	MASA 16	2238-M-2016	2114	100	Jujuy	Granted
	MASA 17	2239-M-2016	2891	100	Jujuy	Granted
	MASA 18	2240-M-2016	3000	100	Jujuy	Granted
	MASA 19	2241-M-2016	3000	100	Jujuy	Granted
	MASA 20	2242-M-2016	3000	100	Jujuy	Granted
	MASA 21	2243-M-2016	2815	100	Jujuy	Granted
	MASA 22	2244-M-2016	1460	100	Jujuy	Application
	MASA 23	2245-M-2016	1540	100	Jujuy	Application
23 Mining leases			47579	Ha		

SCHEDULE OF TENEMENTS

TOTAL NUMBER
TENEMENTS:

81

TOTAL AREA TENEMENTS:

222,136 Ha

REF	TENEMENT NAME	NUMBER	AREA Ha	INTERES T %	PROVINCE	STATUS
OTHER CATAMARCA						
	Galan Oeste	43-M-2016	3167	100	Catamarca	Granted
	Tornado VII	48-M-2016	6629	100	Catamarca	Granted
	2 Mining leases		9796 Ha			
CATAMARCA PEGMATITES						
	Petra I	Cateo 52-B-2016	1000 0	100	Catamarca	In Process
	Petra II	Cateo 51-B-2016	9523	100	Catamarca	In Process
	Petra III	Cateo 49-B-2016	9528	100	Catamarca	In Process
	Petra IV	Cateo 50-B-2016	8939	100	Catamarca	In Process
	CAT1 (Petra VIII)	Cateo 93-B-2016	1000	100	Catamarca	In Process
	CAT2 (Petra VII)	Cateo 94-B-2016	8475	100	Catamarca	In Process
	CAT3 (Petra VI)	Cateo 95-B-2016	1000 0	100	Catamarca	In Process
	CAT4 (Petra V)	Cateo 98-B-2016	1000 0	100	Catamarca	In Process
	La Aguada 1	Mina 116-B-2016	2499	100	Catamarca	Granted
	La Aguada 2	Mina 117-B-2016	2950	100	Catamarca	Granted
	La Aguada 3	Mina 99-B-2016	1558	100	Catamarca	In Process
	La Aguada 4	Mina 173-B-2016	2929	100	Catamarca	Granted
	La Aguada 5	Mina 172-B-2016	2866	100	Catamarca	Granted
	La Aguada 6	Mina 174-B-2016	2999	100	Catamarca	Granted
	La Aguada 7	Mina 137-B-2016	2919	100	Catamarca	Granted
	La Aguada 8	Mina 139-B-2016	1587	100	Catamarca	Granted
	La Aguada 9	Mina 138-B-2016	2607	100	Catamarca	Granted
	9 Mining leases	8 exploration leases	90,379 Ha			

Appendix 5B

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

Name of entity

LAKE RESOURCES N.L.

ABN

49 079 471 980

Quarter ended ("current quarter")

31 March 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(159)	(431)
	(e) administration and corporate costs	(464)	(1,250)
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 (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(623)	(1,681)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation (if capitalised)	(1,285)	(2,433)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 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)	-	-
2.6	Net cash from / (used in) investing activities	(1,285)	(2,433)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	23,628	27,116
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	2,097	2,939
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(1,315)	(1,493)
3.5	Proceeds from borrowings	-	200
3.6	Repayment of borrowings	-	(200)
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	24,410	28,562

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,029	56
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(623)	(1,681)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,285)	(2,433)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	24,410	28,562

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	150	177
4.6	Cash and cash equivalents at end of period	24,681	24,681

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	24,681	2,026
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Proceeds from SPP held in trust pending issue of shares	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	24,681	2,026

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
161
-

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

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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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	-	0
7.3 Other (refer below)	10,000	0
7.4 Total financing facilities	10,000	0

7.5 Unused financing facilities available at quarter end	10,000
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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.

The Company entered into a Controlled Placement Agreement (the Agreement) in August 2018 with Acuity Capital Pty Ltd. The Agreement provided the Company with up to \$4.5 million of standby capital for a 29-month period from August 2018. On 27 November 2020, the Company announced that it had agreed to extend the Agreement until 31 January 2023 and to an increase in the facility limit to \$10 million. Under the Agreement, the Company retains full control of all aspects of the placement process, having sole discretion as to whether or not to utilise the Agreement, the quantum of issued shares, the minimum issue price of shares and the timing of each placement tranche (if any). There are no requirements on the Company to utilise the Agreement and it may terminate the Agreement at any time, without cost or penalty.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(623)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(1,285)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(1,908)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	24,681
8.5 Unused finance facilities available at quarter end (Item 7.5)	10,000
8.6 Total available funding (Item 8.4 + Item 8.5)	34,681
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	18.18

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

- 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.

- 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

- 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.

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: 30 April 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.