

29 July 2022

Lithium Australia Quarterly Activities Report

– June 2022

HIGHLIGHTS

Recycling: Envirostream Australia Pty Ltd ('Envirostream')

- Becomes 100% owned by Lithium Australia with acquisition of final 10% interest.
- Receives first cash rebate from the B-cycle Scheme for collecting, sorting and recycling end-of-life ('EOL') batteries.
- Battery collection rate has risen since the inception of the B-cycle Scheme in early 2022.
- Trials undertaken for a number of electric vehicle ('EV') and Energy Storage System ('ESS') manufacturers in Australia to recycle their cells and report back findings.
- Commercial development continued in the quarter targeting an increase of collection volumes and a long-term offtake partner for mixed metal dust product.

Batteries: VSPC Pty Ltd ('VSPC')

- Lycopodium Minerals Pty Ltd ('Lycopodium') appointed to provide engineering support services for definitive feasibility study ('DFS') for a potential lithium ferro phosphate ('LFP') cathode powder manufacturing facility.
- The DFS program is progressing well with activities expanded to include early-stage LFP production, to support the final stages of product pre-qualification.
- The jurisdictional focus for a potential LFP cathode power plant will be locations in Australia and North America.
- Customer offtake discussions are advancing in parallel with the DFS.

Lithium Chemicals

- Equipment certification for the federally funded LieNA[®] CRC-P project advanced and was received subsequent to the end of the quarter.

Corporate

- Adrian Griffin retired as Managing Director of Lithium Australia as at 31 May 2022 to take on a newly created role as Technical Advisor to the Company.
- The Board began a global search for a suitably qualified Chief Executive Officer. In the interim, organisational structures are in place to effectively manage the Company.
- Appointment of Ms Catherine Grant-Edwards and Ms Melissa Chapman as Joint Company Secretary.
- As at 30 June 2022, the Company had a cash balance of A\$4.8 million and investments in listed equities of A\$5.0 million.

ACN: 126 129 413
ASX: LIT

Level 1
677 Murray St
West Perth WA 6005

PO Box 1088
West Perth WA 6872

Phone +61 (0) 8 6145 0288
Fax +61 (0) 8 9475 0847

info@lithium-au.com
lithium-au.com

CORE STRATEGY

Lithium Australia is focused on its battery recycling business (Envirostream) and LFP cathode powder (VSPC) divisions, both of which the Board believes will catalyse growth and shareholder value.

Recycling of mixed EOL batteries via Envirostream underpins the Company’s ESG credentials. Envirostream is well-positioned to take advantage of the expected significant increase in volumes of spent batteries available for recycling, particularly as a result of vehicle electrification and Australia’s national battery stewardship scheme.

Envirostream has invested to build EOL battery supply, obtain a 99-year license from EPA Victoria to process higher volumes¹, and increase system capacity with its new site in Laverton². Focus now turns to driving battery recycling volumes higher, to further minimise the number of spent batteries sent to landfill and return valuable commodities to the market.

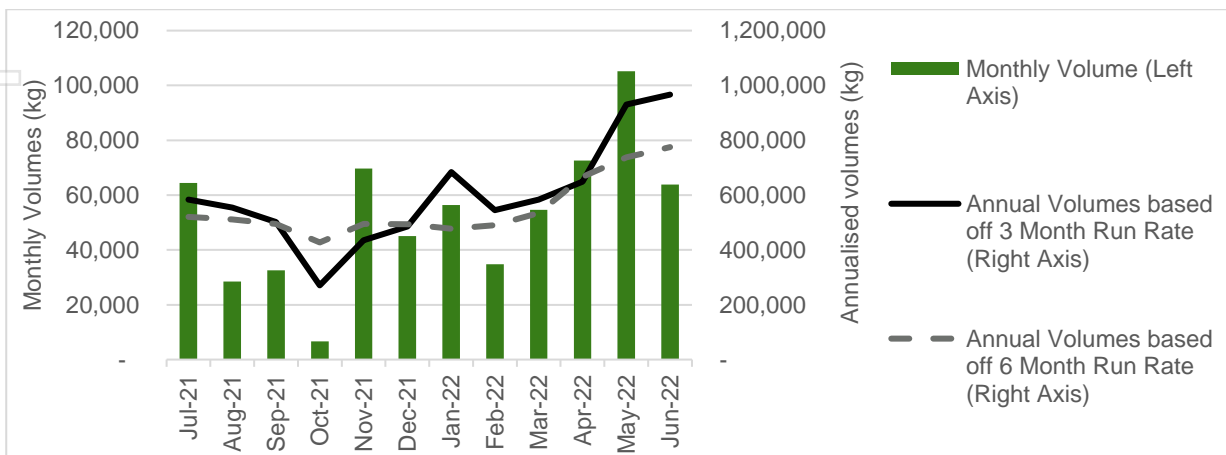
The production of LFP cathode powder for lithium-ion batteries via VSPC represents another significant commercial opportunity. An accelerated strategy is being developed which seeks to realise the benefits through construction of a pre-qualification LFP pilot plant likely to be located in Queensland, Australia, underpinned by the strong industry support required for offtake development.

RECYCLING – Envirostream

The Company, through its 100% owned subsidiary Envirostream, is the national leader in mixed-battery recycling, providing sustainable solutions for the disposal of EOL batteries and the recovery of critical energy metals which are used to manufacture new lithium-ion batteries ('LIBs').

EOL battery collections continue to rise

Envirostream has reported an increase in its collection and processing of EOL batteries since the commencement of B-cycle – the Australian government-backed battery recycling scheme developed by the Battery Stewardship Council and initiated from January of this year.



Monthly EOL battery sorting volumes (in kilograms ('kg') for Envirostream including annualised run rates which demonstrate increasing volumes (Note: October 2021 was low due to preparation for Laverton)

¹ See also ASX announcement dated 5 October 2021
² See also ASX announcement dated 22 November 2021

During the quarter, Envirostream – which holds a unique position within the B-cycle scheme being the only accredited company operating across all three collection, sorting and processing divisions – received its first cash rebate from the scheme.

Details of rebate rates for collection, sorting, and processing, which are listed below³, should lead to an increase in revenue for this developing business.

- Collection in metropolitan areas \$2.50/kilogram ('kg')
- Collection in regional/remote areas \$3.50/kg
- Sorting \$1.00/kg
- Processing \$1.00/kg

During the quarter, Lithium Australia completed all formalities for acquiring a final 10% interest in Envirostream for a consideration of \$250,000.⁴



Battery sorting line (left), conveyor (middle), and sorting bins (right) at Envirostream's operation in Melbourne, Australia

Commercial development

As incoming volumes of LIBs increase, so does the mixed metal dust ('MMD'), which is generated from Envirostream's processes. MMD includes active metals such as cobalt and nickel and this is sold to Tier 1 mining companies and international recycling companies. Envirostream is currently pursuing long-term offtake agreements for MMD and will update the market as progress is made.

³ See also ASX announcement dated 10 November 2021

⁴ Refer to ASX announcement dated 20 April 2022

Growing the collection network

Envirostream has quickly grown a national network of over 700 accredited B-cycle drop-off locations with its partners supplying EOL batteries. The business also supplies services to other scheme collectors to sort and recycle batteries.

Envirostream is actively growing the network of B-cycle drop-off locations and partners and will keep the market informed as progress is made. Envirostream's network of reputable partners includes:



EV and ESS trials

During the quarter, Envirostream reported that it had established relationships with electric vehicle ('EV') manufacturers in Australia seeking an EOL solution for their batteries.

Battery volumes available for recycling are expected to significantly increase from EV's and energy storage systems ('ESS') over the balance of the decade. In preparation for this, work has commenced to ensure EV and ESS batteries can be efficiently dismantled and recycled.

Since the start of the year, Envirostream has undertaken trials for several EV manufacturers to recycle their battery packs and report back findings. The knowledge gained by Envirostream is important to ensure readiness for the expected increase in future EV volumes.

BATTERIES – VSPC

Wholly-owned subsidiary VSPC operates a research and pilot plant facility in Brisbane, Queensland, specialising in research into, and the production of, high-purity, high-performance battery materials, including lithium ferro phosphate ('LFP') and lithium manganese ferro phosphate ('LMFP') cathode powders.



VSPC's 100% owned Battery Materials pilot plant, Brisbane, QLD

DFS for LFP Manufacturing Facility

During the quarter, Lycopodium⁵ continued to advance a DFS for a 10,000 tonnes per annum ('tpa') LFP manufacturing facility, which seeks to support the scale-up and commercialisation of the patented RC Process for LFP cathode powder production. Key activities have included preparation of engineering specifications for vendor enquiries for major equipment supply, location analysis, vendor testwork planning and confirmatory testing of material handling characteristics.

Successful completion of the DFS for an LFP manufacturing facility would signal a major step-up in production capacity for VSPC from its current R&D facility.

Customer offtake discussions are also advancing in parallel with the DFS.



Artist impression of proposed 10,000 tpa commercial LFP manufacturing facility

Choice of jurisdiction

The lack of meaningful LFP production beyond China provides many supply opportunities.

At present, there is no LFP production in the United States ('US'), even though most US EV producers offer LFP battery options in their entry-level models, as well as in some high-end vehicles.

The US National Blueprint for Lithium Batteries 2021-2030 promotes the development of domestic supply chains for all lithium batteries and battery materials, including LFP, from resources through to chemicals and, finally, battery production.

Ultimately, LFP needs to be produced locally, which is likely to position the US as a jurisdiction of very high demand for the product as it electrifies its transportation industry. Worldwide consumption of LFP as an active battery material seems set to burgeon, due to the rising demand for EVs and battery energy storage, and North America is likely to be one of the most rapidly expanding LFP markets during this decade. The North American opportunity will therefore be heavily considered for the DFS.

⁵ Refer ASX announcement dated 6 April 2022

Intellectual Property

An international patent application ('PCT') for the underlying proprietary knowhow for making lithium metal phosphate upon which the RC Process is based was filed on 8 June, 2021. This application has now been assessed by the international examiner and an international preliminary report on patentability (IPRP(II)) in which they express their view that all of the claims are novel and involve an inventive step over the cited art has been issued. Achieving this hurdle is significant as it now allows the Company to enter the application into the national/regional phase in the jurisdictions of interest.

LITHIUM CHEMICALS

The Company, together with ANSTO, continued to develop its next-generation LieNA[®] processing technology, a unique method of refining fine or low-grade spodumene to produce high-purity lithium chemicals, which can then be used as direct feed for the production of LFP to supply the currently booming global market for LFP batteries.

By targeting what is generally considered 'waste' spodumene, LieNA[®] has the potential to not only expand current hard-rock lithium resources (thereby reducing mining costs) but also enhance the sustainability of lithium chemical production worldwide.

During the quarter, equipment certification was advanced. Certification is a necessary step and was received subsequent to the end of the quarter allowing commissioning of the autoclave to commence, which is expected in August 2022.

CORPORATE & FINANCIAL

Change of Company name

During the quarter, the Company changed its name from Lithium Australia NL to Lithium Australia Limited in line with the Company's expansion of focus from exploration and mining to upstream processing of lithium chemicals, production of battery materials and providing end-of-life solutions for batteries. The Company's ASX ticker code remained LIT.

Retirement of the Managing Director

In recognition of the timelines and commitment required to reposition the Company for the next phase of growth, Mr Adrian Griffin retired from the position of Managing Director effective 31 May 2022.

From 1 June 2022, Mr Griffin took on the newly created position of Technical Advisor to Lithium Australia, meaning he now, on a consulting basis, provides the Company with the benefits of his broad technical and process-level expertise.

During the past 10 years as Managing Director, Mr Griffin was instrumental in repositioning the Company from a junior resource exploration entity to one that sits at the forefront of the global lithium battery industry, by virtue of its acquisition and successful advancement of several battery-materials opportunities.

During the quarter, the Board began a global search for a suitably qualified Chief Executive Officer to replace Mr Griffin. In the interim, organisational structures are in place to effectively manage the Company and its subsidiaries.

Appointment of Joint Company Secretary

During the quarter, Ms. Catherine Grant-Edwards and Ms. Melissa Chapman were appointed as Joint Company Secretary effective from 24th June 2022. Ms Grant-Edwards and Ms Chapman were appointed to replace Mr Barry Woodhouse who resigned from the position to pursue other opportunities.

Cash

As at 30 June 2022, the Company had cash reserves of A\$4.8 million (31 March 2022: A\$8.0 million) and no debt.

The Board has maintained strong oversight of spending with particular focus on working capital management and prioritisation of spend towards Envirostream.

Investment at fair value

As at 30 June 2022, the Company held investments in Australian and Canadian-listed shares of A\$5.0 million (31 March 2022: A\$9.8 million).

Securities

Movements in shares during the June 2022 quarter included:

- 1,513,054 shares issued upon exercise of listed options (ASX:LITOA) at \$0.0499 expiring 28 February 2025; and
- 240,047 shares issued as consideration for services rendered by a supplier.

Movements in options during the June 2022 quarter included:

1,513,054 listed options (ASX:LITOA) at \$0.0499 expiring 28 February 2025 were exercised.

Tenement Management

During the quarter, Sheoak Minerals Ltd wrote to the Company stating its decision not to exercise its Option over the Lepidolite Hill Project. An alternate potential buyer has been identified and has scheduled a site visit in July.

Battery Energy Storage Systems ('BESS')

Activities through the Company's 50% joint venture Soluna Australia Pty Ltd, were limited during the quarter and focused on limiting liabilities. The BESS business is considered non-core, relative to Envirostream and VSPC and will not be actively pursued.

Proceedings on behalf of the Company

As disclosed in the 31 December 2021 half-yearly financial report, Envirostream has been served writs regarding statements of claim for damage caused by a fire at 31 Colbert Road, Campbellfield, Victoria on 19 January 2019. These claims are currently being managed by Envirostream's insurance company and the Company expects some or all of the amounts to be reimbursed. As at 31 December 2021, the claims were estimated to total A\$5 million (included as a provision) and at quarter's end the Company believes this remains a reasonable estimate.

Company announcements during the quarter

- 24th June [Appointment of Joint Company Secretary & notice of resignation](#)
15th June [GLN: First Pegmatite Lens Discovered at Greenbushes South](#)
9th June [CHR: Charger confirms large lithium system at Lake Johnston](#)
1st June [Notice under section 708\(A\)\(5\)\(e\) Corporations Act](#)
1st June [Application for quotation of securities - LIT](#)
31st May [Final Director's Interest Notice](#)
31st May [Adrian Griffin to retire as LIT managing director](#)
17th May [Application for quotation of securities - LIT](#)
4th May [Change of Director's Interest Notice](#)
29th April [Application for quotation of securities - LIT](#)
28th April [Lithium Australia quarterly activities report - March 2022](#)
28th April [Change of company name and type](#)
20th April [Lithium Australia now 100% owns strategic battery recycling](#)
14th April [Application for quotation of securities - LIT](#)
12th April [Application for quotation of securities - LIT](#)
6th April [LIT selects Lycopodium to assist with DFS of LFP plant](#)

Authorised for release by the Board.

Stuart Tarrant

Chief Financial Officer

Mobile +61 (0) 467 817 005

Stuart.Tarrant@lithium-au.com

George Bauk

Chairman

Mobile +61 (0) 408 931 746

George.Bauk@lithium-au.com

Media contact

David Tasker

Chapter One Advisors

Mobile +61 (0) 433 112 936

dtasker@chapteroneadvisors.com.au

Forward-looking statements

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

About Lithium Australia

Lithium Australia (ASX:LIT) is at the forefront of advanced materials development to ensure an ethical and sustainable future for the global battery industry. Lithium Australia is achieving this via its business divisions:

Envirostream (100%-owned LIT subsidiary): Envirostream, which is leading Australia's battery recycling industry, is at the cutting edge of delivering safe and innovative management solutions to one of the Australian waste industry's biggest (and getting bigger) challenges – battery disposal.

Its state-of-the-art Victorian-based battery processing facilities are providing a sustainable solution by collecting, sorting and processing critical battery metals from all types of spent batteries to power the batteries of tomorrow.

With battery recycling partnerships alongside some of Australia's leading brands (including Bunnings, Officeworks and Battery World), Envirostream benefits from the Australian government-backed battery recycling scheme which is providing rebates across collection, sorting, and processing of batteries. These combined provide the platform for national expansion.

VSPC (100%-owned LIT subsidiary): With over 20 years' experience, VSPC develops leading-edge materials for e-mobility and energy storage applications and, ultimately, a zero-carbon economy. Its patents cover the production of advanced powders for next generation lithium-ion batteries, especially lithium ferro phosphate ('LFP').

Currently, demand for LFP represents more than half the global market for lithium-ion battery materials. The Company is one of only a few entities outside of China with the technical expertise to manufacture LFP powder of the highest quality to meet those burgeoning market pressures.

VSPC is now on a clear path to production. With research and pilot plant facility in Queensland, a Definitive Feasibility Study ('DFS') for an initial 10,000 tpa LFP manufacturing facility well underway, and with customer offtake discussions advancing in parallel, VSPC is positioning for its first commercial footprint.

Appendix 1 Mining and exploration tenement schedules

Details of mining tenements as at the quarter ended 30 June 2022 (ASX Listing Rule 5.3.3).

| Tenement | Location | Registered holder | Beneficial interest | | Notes |
|--------------|--|-------------------------------|---------------------|------|-------|
| | | | Start | End | |
| E63/1777 | Lake Johnston, WA | Johnston Lakes Nickel Pty Ltd | 30% | 30% | 1,2b |
| E63/1722 | Lake Johnston, WA | Johnston Lakes Nickel Pty Ltd | 30% | 30% | 1,2a |
| E63/1723 | Lake Johnston, WA | Johnston Lakes Nickel Pty Ltd | 30% | 30% | 1,2a |
| E63/1809 | Lake Johnston, WA | Lithium Australia Ltd | 30% | 30% | 3,5 |
| E63/1866 | Lake Johnston, WA | Lithium Australia Ltd | 30% | 30% | 3,5 |
| E63/1903 | Lake Johnston, WA | Lithium Australia Ltd | 0% | 0% | 8 |
| P70/1752 | Wundowie, WA | Lithium Australia Ltd | 30% | 30% | 5 |
| P70/1753 | Wundowie, WA | Lithium Australia Ltd | 30% | 30% | 5 |
| E70/4690 | Greenbushes, WA | Lithium Australia Ltd | 20% | 20% | 4 |
| E70/4777 | Greenbushes, WA | Lithium Australia Ltd | 20% | 20% | 4 |
| E70/4790 | Greenbushes, WA | Lithium Australia Ltd | 20% | 20% | 4 |
| E70/5198 | Wundowie, WA | Lithium Australia Ltd | 30% | 30% | 3,5 |
| E70/5680 | Greenbushes, WA | Lithium Australia Ltd | 20% | 20% | 4 |
| P15/5574 | Coolgardie, WA | Lithium Australia Ltd | 25% | 100% | 6,7 |
| P15/5575 | Coolgardie, WA | Lithium Australia Ltd | 25% | 100% | 6,7 |
| P15/5739 | Coolgardie, WA | Lithium Australia Ltd | 25% | 100% | 6,7 |
| EL30897 | Bynoe, NT | Lithium Australia Ltd | 30% | 30% | 3,5 |
| Notes | | | | | |
| 1 | Lithium Australia Ltd holds 30% of the lithium rights. | | | | |
| 2 | (a) Rights Acquisition Agreement dated 17 August 2016 between Lefroy Exploration Ltd and Lithium Australia Ltd. (b) Lefroy Exploration Ltd gold and base metal rights sale agreement dated 10 March 2021. | | | | |
| 3 | Charger Metals NL ('CHR') exercised its option to acquire a 70% interest under the Acquisition and Joint Venture Agreement (as amended) (Acquisition Agreement). This does not include E63/1903, where CHR holds 100% of the tenement. | | | | |
| 4 | Joint venture agreement with Galan Lithium Ltd dated 13 January 2021 whereby Lithium Australia Ltd holds a 20% free-carried interest until completion of a PFS. | | | | |
| 5 | Lithium Australia Ltd holds 30% of all mineral rights. | | | | |
| 6 | Focus Minerals Ltd acquisition agreement dated 16 September 2020 – Focus Minerals Ltd retains a 1% royalty on all minerals. | | | | |
| 7 | Reference is made to the Company's Prospectus dated 10 February 2022, which disclosed indicative terms had been agreed whereby, subject to certain conditions precedent, Lithium Australia Ltd would transfer 75% interest in the Lepidolite Hill tenements for a consideration of two million shares in the newly incorporated entity. During the June 2022 quarter, the Company received notice that the proposed acquirer would not be proceeding with the proposed transaction. Accordingly, LIT retains a 100% interest in these tenements. | | | | |
| 8 | Registered holder until a 100% Registrable interest is transferred to CHR pursuant to the Acquisition Agreement (refer to Note 3.) | | | | |

Appendix II Payments to related parties of the entity and their associates

Payments made during the quarter and included in items 6.1 and 6.2 of ASX Appendix 5B – 'Mining exploration entity quarterly cash flow report' – comprise the following.

6.1 Aggregate amount of payments to related parties and their associates included in cash flows from operating activities – \$293,000.

This includes payments of directors' remuneration for services to the economic entity – \$291,000 – and payment to directors' associates for services provided to the economic entity – \$3,000.

Appendix 5B

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

Name of entity

Lithium Australia Limited

ABN

29126129413

Quarter ended ("current quarter")

30 June 2022

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (12 months) \$A'000 |
|--------------------------------------|---|----------------------------|--|
| 1. | Cash flows from operating activities | | |
| 1.1 | Receipts from customers | 994 | 2637 |
| 1.2 | Payments for | | |
| | (a) exploration & evaluation | (2) | (140) |
| | (b) development | (1,506) | (4,034) |
| | (c) production | (1,060) | (3,969) |
| | (d) staff costs | (867) | (4,056) |
| | (e) administration and corporate costs | (443) | (2,267) |
| 1.3 | Dividends received (see note 3) | - | - |
| 1.4 | Interest received | 2 | 21 |
| 1.5 | Interest and other costs of finance paid | (2) | (4) |
| 1.6 | Income taxes paid | - | - |
| 1.7 | Government grants and tax incentives | 187 | 1,790 |
| 1.8 | Other | - | - |
| 1.9 | Net cash from / (used in) operating activities | (2,697) | (10,022) |

| | | | |
|-----------|---|-------|---------|
| 2. | Cash flows from investing activities | | |
| 2.1 | Payments to acquire or for: | | |
| | (a) entities | - | - |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | (113) | (1,677) |
| | (d) exploration & evaluation | - | - |
| | (e) investments | (6) | (187) |
| | (f) other non-current assets | 69 | (999) |

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 (12 months) \$A'000 |
|--------------------------------------|---|----------------------------|--|
| 2.2 | Proceeds from the disposal of: | | |
| | (a) entities | - | - |
| | (b) tenements | - | 100 |
| | (c) property, plant and equipment | (7) | 46 |
| | (d) investments | - | 636 |
| | (e) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (business combination) | (250) | (250) |
| 2.6 | Net cash from / (used in) investing activities | (307) | (2,331) |

| | | | |
|-------------|---|--------------|--------------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | 76 | 6,439 |
| 3.2 | Proceeds from issue of convertible debt securities (repayment of convertible debt) | - | - |
| 3.3 | Proceeds from exercise of options | - | - |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | - | (176) |
| 3.5 | Proceeds from borrowings | - | - |
| 3.6 | Repayment of borrowings | (187) | (738) |
| 3.7 | Transaction costs related to loans and borrowings | (20) | (37) |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (funds received from sale of forfeited partly paid shares) | (77) | 325 |
| 3.10 | Net cash from / (used in) financing activities | (208) | 5,813 |

| | | | |
|-----------|--|---------|----------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 8,016 | 11,370 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (2,697) | (10,022) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (307) | (2,331) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | (208) | 5,813 |

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 (12 months) \$A'000 |
|--------------------------------------|---|----------------------------|--|
| 4.5 | Effect of movement in exchange rates on cash held | 44 | 18 |
| 4.6 | Cash and cash equivalents at end of period | 4,848 | 4,848 |

| 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 | 4,848 | 8,016 |
| 5.2 | Call deposits | - | - |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Other (provide details) | - | - |
| 5.5 | Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 4,848 | 8,016 |

| 6. | Payments to related parties of the entity and their associates | Current quarter \$A'000 |
|-----|---|----------------------------|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | 293 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | - |

The payments to directors or their associates in 6.1 and 6.2 include gross salaries, superannuation, director fees and consulting fees.

| 7. | Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i> | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|-----|---|---|---|
| 7.1 | Loan facilities | | |
| 7.2 | Credit standby arrangements | - | - |
| 7.3 | Other | - | - |
| 7.4 | Total financing facilities | - | - |
| 7.5 | Unused financing facilities available at quarter end | | |
| 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. | | |

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

| 8. Estimated cash available for future operating activities | \$A'000 |
|---|----------------|
| 8.1 Net cash from / (used in) operating activities (item 1.9) | (2,697) |
| 8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d)) | - |
| 8.3 Total relevant outgoings (item 8.1 + item 8.2) | (2,697) |
| 8.4 Cash and cash equivalents at quarter end (item 4.6) | 4,848 |
| 8.5 Unused finance facilities available at quarter end (item 7.5) | - |
| 8.6 Total available funding (item 8.4 + item 8.5) | 4,848 |
| 8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3) | 1.8 |
| <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> | |
| 8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions: | |
| 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: It is expected that the operating cashflows will remain at the current levels. The Company's planned expenditure on development activities may be adjusted, subject to the availability of existing cash reserves and from new funding that may be raised via planned fundraising activities. | |
| 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: It is planned that the company will take steps to raise further cash to fund its operations. These steps could include the liquidation of investments held in listed companies and the issuance of new shares under an equity raising. The Board is continuing to review its funding options and is of the view that it is reasonable to believe that it will be successful in raising cash to fund its operations. | |
| 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: Yes. The Board continues to maintain strong oversight of spending with particular focus on working capital management. | |
| <i>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.</i> | |

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: 29 July 2022

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.