



ASX RELEASE

GREENPOWER ENERGY LIMITED (ABN 22 000 002 111)

QUARTERLY REPORT 31 DECEMBER 2017

MINING PRODUCTION REPORT - LISTING RULE 5.1

Greenpower Energy Limited (ASX: GPP) (the Company) is not presently in production or development in any of its mining tenements.

MINING EXPLORATION REPORT - LISTING RULE 5.2

The Company holds:

1. an application for an Exploration License for an area situated near Moe township, in the Latrobe Valley, Victoria intended for lignite exploration when granted. [The Company previously held Exploration Licences 4500, 4877 and 5227, also in the Latrobe Valley, Victoria. As previously announced, each of these has not been renewed.]
2. through Heads of Agreement with Guyana Strategic Metals Inc. ('GSM') an interest in a 'Reconnaissance Geophysical and Geological Survey' tenement under the Mining Act of Guyana which gives the holder exploration rights for lithium, niobium, tantalum and rare earths situated in the Republic of Guyana – See details below.
3. 9 Exploration Licences EL-31459 through to EL-31466 and EL-31496 in the Northern Territory where GPP plans to test the subterranean formation brines for Lithium and is testing surface clay for Potassium potential– See details below.

ACTIVITY DURING THE QUARTER

1. THE GUYANA LITHIUM/TANTALUM PROJECT

Greenpower's exploration activities have focused on their Guyana PGGs tenement at Morabisi.

During the quarter an annual statutory reduction in the size of the tenement was made. The tenement now has an area of 713,109 acres (288,580ha).

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THE GUYANA LITHIUM/TANTALUM PROJECT cont

In early November an additional PGG application was made by Kopang Resources Inc., (“KRI”) a special purpose Guyanese vehicle established to hold the Kopang Project associated with GPP’s existing partners in Guyana, Guyana Strategic Metals, Inc (“GSM”). Greenpower executed a binding Heads of Agreement (“HOA”) with Kopang Resources Inc. to acquire up to a 74% interest in the Kopang Lithium & Nickel Project. The Kopang PGG application was in process during the quarter.

Turesi Lithium Prospect.

During the quarter additional trenching was completed at the Turesi Lithium Prospect. The trenching has been successful in focusing Phase 1 surface grab sampling and stream sediment sampling. Depth of weathering revealed one pegmatite outcrop. All other fresh rock occurred as individual pieces of fresh pegmatite (named grab samples) Spoil from the trenching showed colour changes in the clays which coincide with weathered pegmatitic clay. Trench 17-04 was deepened by 1.5m to approximately 4.5m to try to expose more unweathered pegmatitic material which was not successful. By the end of the quarter 10 trenches had been completed. All trenches were channel sampled and samples submitted to a Laboratory in Vancouver Canada for analysis. Grab sampling of unweathered rocks within the weathered clays was carried out as part of the sampling programme. Grab samples showed the area to host spodumene and lithionite, lithium-bearing. All grab samples were submitted to a Laboratory in Vancouver Canada for analysis. The laboratory has been unexpectedly slow in completing its analyses and results from many samples were still awaited at the end of the quarter.

A wide ranging radiometric survey of the trenches at Turesi and along the surrounding tracks was completed during the quarter. Anomalous radiometric values and spodumene and lithionite in grab samples coincide, helping to confirm the presence of lithium bearing pegmatites.

Banakaru

Two trenches have been completed at Banakaru to follow up Phase 1 sampling results. Weathered clays were cut throughout both trenches. A colour change similar to that seen in the Turesi trenching has been channel sampled to test for lithium mineralization. The analyses had not been received from the Vancouver, Canada before the close of the reporting period.

Robello Creek.

The Robello Creek drainage system in the 1950’s was the site of a Tantalum/Columbium (Coltan) alluvial mining operation. During phase 1 the sediments returned panned concentrates warranting further examination. To access the area, the haulage road from Watergauge Landing on the Mazaruni River to Robello Mine was cleared to allow quad bike access. It was then extended to a camp site suitable as a base from which to drill Heavy and Young Creeks. A Banka drill with an experience crew was sourced and drilling commenced during the quarter. The Robello Mine tailings were drilled, followed by drill programmes at Heavy Creek and Young Creek. The Banka drill proved adequate to penetrate the alluvials to bedrock. Samples have been submitted for analysis to a Laboratory in Vancouver Canada. The laboratory analyses and results from many samples were still awaited by the end of the quarter.

2. RESOURCE TECHNOLOGY DEVELOPMENT: COAL TO CHEMICALS

During the quarter under review, the Company continued the development of its proprietary coal to chemicals technology - "OHD Process" (refer website [GPP - OHD](#))

Activities – as occurred during last quarter 2017

Thermaquatica continued to review of PDU#1 performance metrics and assist with discussions on building PDU#2 with the assistance of Impact Engineers (Boston Ma).

Epic Engineers (St Louis MO), HRL and GPP had ongoing meetings to ratify the PDU#2 design process and advancements on PDU#1.

GPP travelled to meet with NREL (Denver CO) to investigate alternate uses for OHD offtake.

GPP attended the Bio stimulant conference (Miami FL) – a 3-day conference on Global bio-stimulants, discussions with USA regulators, meetings with Industry participants to position OHD as a Bio-stimulant. This led to several follow up meetings on commercially sensitive market engagement.

GPP and its consultants had meetings and discussions with Local and State Government groups seeking support for grant funding and to update on activities. Including compiling business cases for the Latrobe Valley Bio-Stimulant Project and Collie Valley Bio-Stimulant Platform Chemicals Project.

Outcomes

Field Trials

- **Tomato** – ongoing hydroponic and small-scale activities - Monash University, awaiting final Monash report
- **Wheat** – small scale Monash trial, procedures adopted for study and results being compiled, awaiting report
- **Other Crops** – no other crops are being considered in current plans due to commercial focus on mainstream crops

PDU#2

Commenced extensive boundary limit testing of PDU#1 to determine upscaling to PDU#2

Utilisation of PDU#2

- PDU#1 currently a pre-stage prototype spends considerable time non-operational due to design limitations.
- PDU#1 is not dedicated to Greenpower tasks.
- Transport of Victorian Brown Coal to USA and return of OHD liquor is inefficient

Government Grant applications

Decision taken to seek Federal and State Government funding programs.

- **CRC-P** (Cooperative Research Centre Projects) – round 4 unsuccessful, for broadacre field trials and build of PDU#2, no specific feedback on reasons, decision to pursue round 5 approved. Awaiting official Government advice on schedule of round 5, considering scaled down field trials to validate process functions
- **RJIP** (Regional Jobs & Investment Packages) – Consideration towards seeking project feasibility funding for commercial pilot plant project. Application submitted for AUD 590K, outcome due Feb/Mar 2018. (unconfirmed)

3. NORTHERN TERRITORY – PRETORIA PROJECT

The Group plans to test the brines for lithium potential from mineral salts. Greenpower anticipates working with companies drilling in the licence areas which is currently on hold awaiting approvals from the Northern Territory government for drilling.

4. FUND RAISING & SECURITIES ISSUES

During the quarter under review GPP no fund-raising activities were undertaken.

GPP currently has AUD \$1.9 million on hand.

5. CORPORATE COMPLIANCE

The Companies' Annual Audit was completed, unqualified on 31 August 2017 and the AGM held on 27 October 2017.

The Half year accounts are due for release prior to 28 February 2018.