ASX ANNOUNCEMENT 27 April 2018

ACTIVITIES REPORT FOR THE MARCH QUARTER 2018

LITHIUM AUSTRALIA

CLOSING THE LOOP ON THE LITHIUM PRODUCTION CYCLE

QUARTERLY REPORT FOR DECEMBER 2017

HIGHLIGHTS

- 2 German exploration licences granted as LIT expands European strategy.
- Patent authorities confirm that LIT's 100%-owned SiLeach® process is novel, inventive and has industry application.
- LIT commits to SiLeach® large scale pilot plant.
- 25 Mt maiden lithium Mineral Resource for Sadisdorf (10-year production potential at 25,000 tpa lithium carbonate equivalent).
- LIT completes the acquisition of the Very Small Particle Company ('VSPC', a cathode material business) and prepares for pilot plant operations.
- VSPC cathode material shown to be of superior quality.
- LIT secures an $18M package to develop lithium and battery cathode production.
- LIT prepares feed for SiLeach® large scale pilot plant.
- Float of LIT subsidiary BEM opens at a premium and trades up to $0.245, providing great for LIT shareholders participating in the priority entitlement.

SUBSEQUENT EVENTS

- Lepidolite ore sorting update.
- Drilling completed at the Sadisdorf (Germany) lithium/tin project, LIT's joint venture with Tin International AG.
- Acquisition of Moolyella project.

MEDIA CONTACTS

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Kevin Skinner	**Field Public Relations**	**08 8234 9555 | 0414 822 631**

COMPANY DETAILS

LITHIUM AUSTRALIA NL
ABN: 29 126 129 413
ASX CODE: LIT & LITCE

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Level 1, 675 Murray Street
West Perth WA 6005

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POSTAL ADDRESS
PO Box 1088
West Perth WA 6872

CORPORATE INFORMATION
(27 April 2018)
413M Ordinary Shares
163M Listed Partly Paid Shares
21M Unlisted Options
27M Performance Rights
3.4M Convertible Notes

BOARD OF DIRECTORS
George Bauk
(Non-executive Chairman)
Adrian Griffin
(Managing Director)
Bryan Dixon
(Non-executive Director)

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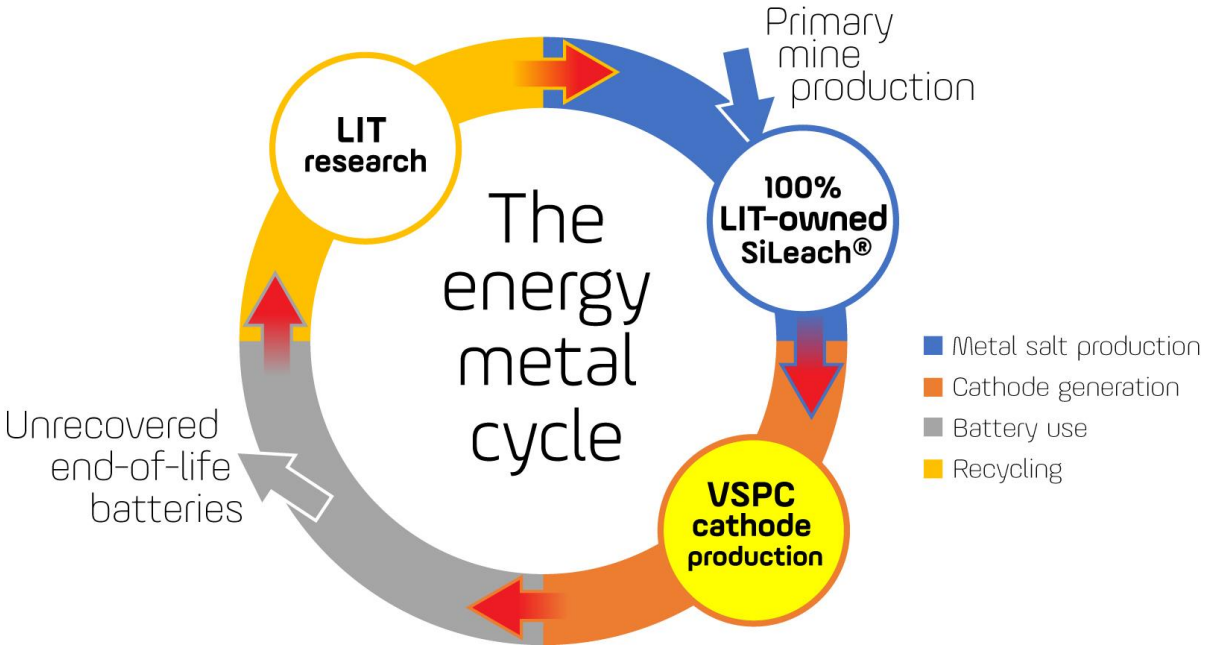
DEVELOPMENT STRATEGY

Lithium Australia NL (ASX: LIT) has advanced its goal of developing an integrated lithium company with the capability of capitalising on all major sectors of the lithium supply chain, and in so doing closing the loop on the lithium production cycle.



Key elements of LIT's strategy include the following:

- 100% owned SiLeach® technology is capable of converting mine waste to lithium chemicals;
- VSPC technology can convert lithium chemicals to superior quality lithium-ion battery cathode materials; and
- Recycling technology will recover valuable metals, including lithium and cobalt, from spent batteries, closing the loop on the energy metal cycle.

LIT's technology development is supported by a growing resource base, which – coupled with its SiLeach® process – can breathe new life into otherwise stranded assets. A prime example is the association of tin with lithium mineralisation, as exemplified by the Sadisdorf deposit in Germany (see below).

Patent authorities have confirmed that SiLeach® is novel, inventive and has industry application. LIT has supported a significant research and development programme to achieve this goal and is now packaging the funding necessary to implement a large-scale pilot plant ('LSPP'). The latter, which is likely to be the world's first hydrometallurgical facility for the production of lithium chemicals from silicates, will be fed by mine waste to achieve the desired outcome.

LIT's acquisition of the Very Small Particle Company (VSPC) provides access to the most lucrative part of the lithium-ion battery (LIB) production cycle – the production of cathode powders. This process can be integrated with SiLeach® to provide a path from mine waste to LIB production.

LARGE-SCALE SILEACH® PILOT PLANT

LIT is committed to scale-up of its revolutionary SiLeach® process in the form of a large-scale pilot plant (LSPP). LIT is negotiating site access and infrastructure contracts for construction of the plant, and is preparing Lepidolite Hill (80% LIT and 20% Focus Minerals Ltd) as a source of Lepidolite. LIT is also in the process of procuring third party lepidolite (a lithium mica) feed, for planned operation of the LSPP.

Engineering design studies and financial modelling have shown that LIT's proposed SiLeach® process can produce lithium chemicals from waste micas on a competitive basis. Further, the studies have identified multiple avenues for more capital and operating-cost reductions – key findings by LIT and CPC Project Design Pty Ltd. Design studies for the LSPP were based on nominal annual production of 2,500 tonnes of lithium carbonate equivalent (~1/10th the scale of a full-scale production plant).

Significant design advances have been made to improve water balance in the circuit and reduce operating cost (see ASX announcement 27 April 2018) . The plant design includes a module to enable LMax® (owned by Lepidico Ltd) operation if required.

At present, LIT's preferred supply model is that of obtaining lithium mica from the waste streams (historical dumps and tailings) of currently operating mines; that said, other supply opportunities are also being evaluated.

CATHODE MATERIALS FROM VSPC

LIT has completed the acquisition of advanced cathode material producer VSPC. LIT currently holds 99.7% of VSPC. VSPC is capable of producing superior quality LIB cathode powders by precise control of particle size and chemistry. The manufacturing technique produces nanoparticles significantly smaller than those produced by competing processes and can be adapted to produce powders for all LIB cathode powder chemistries.

VSPC owns the following:

- Proprietary processes for the production of lithium-ion battery cathode materials;
- A comprehensive pilot plant; and
- Advanced laboratory and testing facilities.

VSPC technology begins with cathode metals in a solution from which the cathode nanoparticles are precipitated. The VSPC process is compatible with solutions produced during the processing of hard-rock minerals to recover lithium carbonate or lithium hydroxide. Potentially, production of cathode materials direct from such solutions removes two steps involved in the manufacture of cathode materials, resulting in a revolutionary process that capitalises on the value-add generated by progressing from lithium chemicals to cathode materials. LIT is currently investigating the seamless production of cathode materials from hard-rock minerals using hydrometallurgical front-end processes, including both its own 100%-owned SiLeach® process and the L-Max® process of Lepidico Ltd, for which LIT has exclusive rights in Western Australia. LIT's LSPP design will enable this opportunity for both the SiLeach® and L-Max® processes providing a path through to the greatest value uplift in the LIB production cycle.

EXPLORATION ACTIVITIES – MARCH 2018 QUARTER

SADISDORF – GERMANY

LIT is earning an interest in a joint venture ('JV') with Tin International AG (see ASX announcement 25 March 2017).

The style of mineralisation at Sadisdorf – an historic tin mine in Saxony, Germany, close to the border with the Czech Republic – is a greisen (altered granite). The tin mineralisation is enveloped by a pervasive lithium-mica alteration. Application of LIT's SiLeach® technology provides an opportunity to combine the value of the tin with that of the lithium, the latter contained within minerals otherwise considered waste.

A source of lithium for the European EV industry

Significantly the resource at Sadisdorf is close to proposed LIB battery production facilities planned to service the rapidly growing EV industry in Europe. The site is also well serviced by established infrastructure and reagent supplies. These features will enable development not only to the stage of lithium chemicals, but with the addition of VSPC technology, cathode powders to the European LIB industry.

Maiden lithium resource estimate completed

CSA Global, a leading international mining consultancy, has estimated an Inferred Mineral Resource at Sadisdorf of 25 million tonnes grading 0.45% Li_2O (see Table 1 below), based on re-analysis and re-interpretation of historical drilling and underground sampling there. Reporting was in accordance with JORC 2012 (see ASX announcement 7 December 2017).

Classification	Domain	Tonnes (Mt)	Li (%)	Li_2O (%)
Inferred	Inner greisen	17	0.22	0.47
Inferred	Outer greisen	8	0.20	0.43
Inferred	**Total**	**25**	**0.21**	**0.45**
Note: the Mineral Resource was estimated within constraining wireframe solids defined above (with a nominal 0.15% Li cut-off). The Mineral Resource is reported from all blocks within these wireframe solids. Differences may occur due to rounding.				

Table 1. Inferred Mineral Resource estimate for Sadisdorf.

Resource modelling has confirmed that the dormant tin mine, which contains significant lithium mineralisation, can be considered a polymetallic deposit with value contributions from lithium, tin and tungsten. Moreover, application of SiLeach® has the potential to provide significant by-product credits (e.g. potassium sulphate fertiliser, sodium silicate).

LIT managing director Adrian Griffin observes preparations for drilling at Sadisdorf.

Subsequent to 31 March 2018, LIT completed drilling at Sadisdorf which aims to improve resource definition and progress to a resource upgrade.

Three drill holes have been completed as shown in Table 2 below:

Drill hole ID	X (metres)	Y (metres)	Z (metres)	Planned Azimuth	Planned Dip	Planned length	Actual length
SDDH-17-01T	5404692.0	5633054.4	592.6	88.2°	-86.0°	310 m	310.0 m
SDDH-17-02T	5404703.4	5633052.3	592.4	280.2°	-66.6°	150 m	100.8 m
SDDH-17-02TA	5404703.4	5633052.3	592.4	280.2°	-66.6°	150 m	150.0 m
Coordinate system: DHDN / 3-degree Gauss-Kruger zone 5							

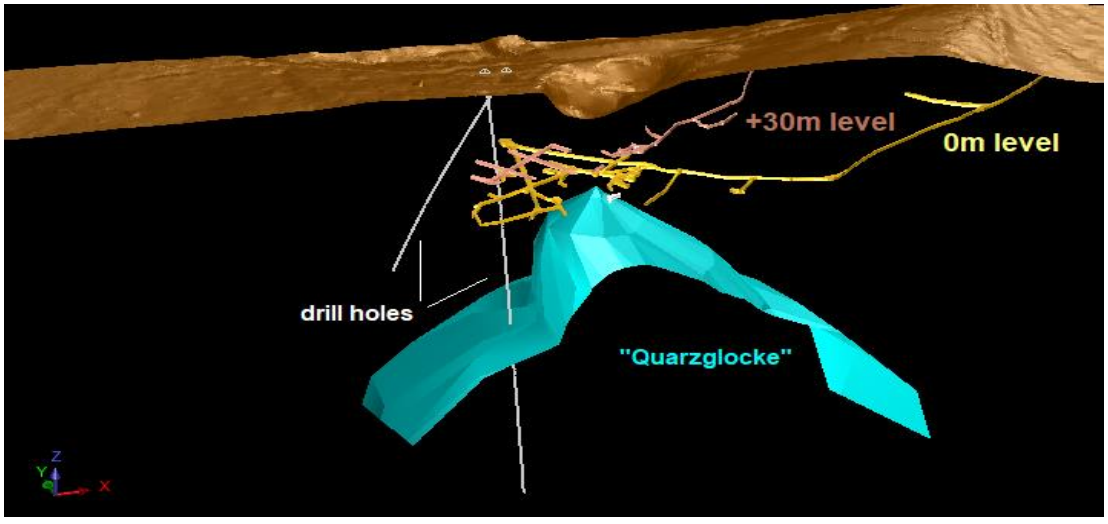
Table 2. Holes completed for the JV's maiden drilling programme at Sadisdorf.

A total of 460 m from three diamond core holes duplicated selected historic drill holes, with large-diameter core (101 mm, SK6L) facilitating collection of samples for future metallurgical testwork. A 3D view of the drilling is shown below.

Drill hole SDDH-17-01T was completed on 10 April 2018 to the target of 310m. Drill hole SDDH-17-02T was stopped at a down-hole depth of 100.8 metres due to deviation from the designed drill path and the requirement to ensure drilling closely matched previous historic drill holes. Re-drilling of this hole as SDDH-17-02TA was completed on 12 April 2018 to the target depth of 150m.

Down-hole geophysical surveys gathering density and magnetic susceptibility data to support further geological interpretation were performed on holes SDDH-17-01T and SDDH-17-02TA prior to demobilization of the drilling contractor.

Completion of sampling and assaying of the remaining core will be a priority over April and May. LIT expects to provide a further update from Sadisdorf, including assay results from the completed drill programme, in coming weeks.



3D view of holes planned for the JV's maiden drilling programme.

Further exploration tenure has been granted to both Tin International, and Lithium Australia during the quarter.

ELECTRA PROJECT – SONORA, MEXICO

LIT earned a 53% interest in the Electra lithium clay project (a JV with Infinite Lithium Corporation [previously Alix Resources Corporation], AIX-TSX: V) during the December 2017 quarter.

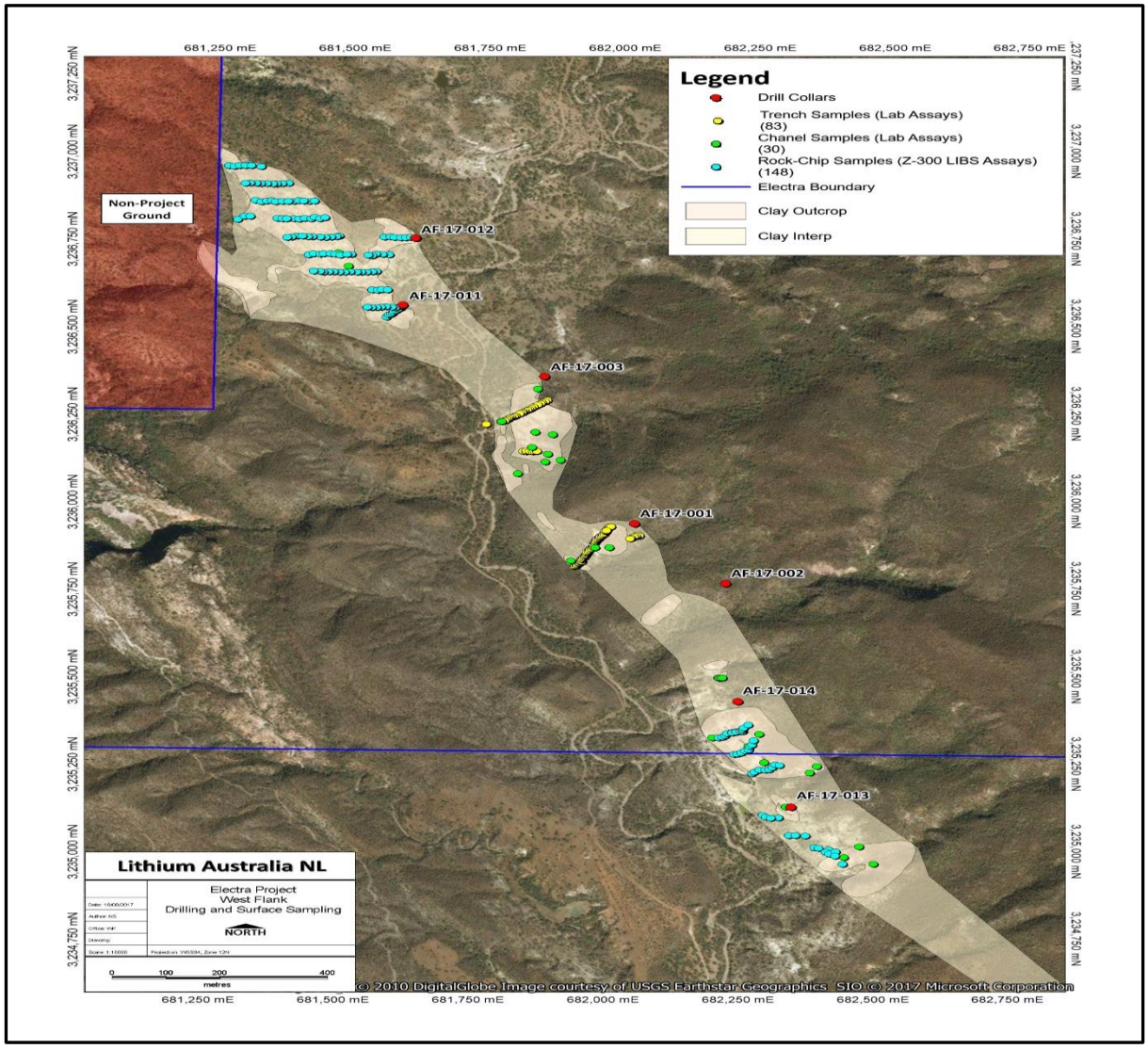
A drilling programme at the Agua Fria prospect completed in the September 2017 quarter, identified a prospective sedimentary sequence known as the 'West Flank' (see diagram below). This will be further investigated, in order to identify the controls of higher-grade lithium values close to surface, where open-pit mining can be undertaken with minimal waste stripping.

Metallurgical testing of material from the Agua Fria drilling has established the following:

- Acid leaching at 50° C achieves 99% extraction of lithium in only four hours;
- No roasting is required; and
- No expensive reagents are required.

A large sample from Agua Fria has been delivered to Curtin University for further mineralogical evaluation.

In addition to their significant lithium values, the clay horizons at Agua Fria are anomalous in potassium, which may be recoverable as potassium sulphate, a major component of NPK fertilisers. There is, therefore, potential for a valuable by-product credit to the project's economics.



Electra Project – West Flank: drilling and surface sampling location map.

PILGANGOORA – WESTERN AUSTRALIA

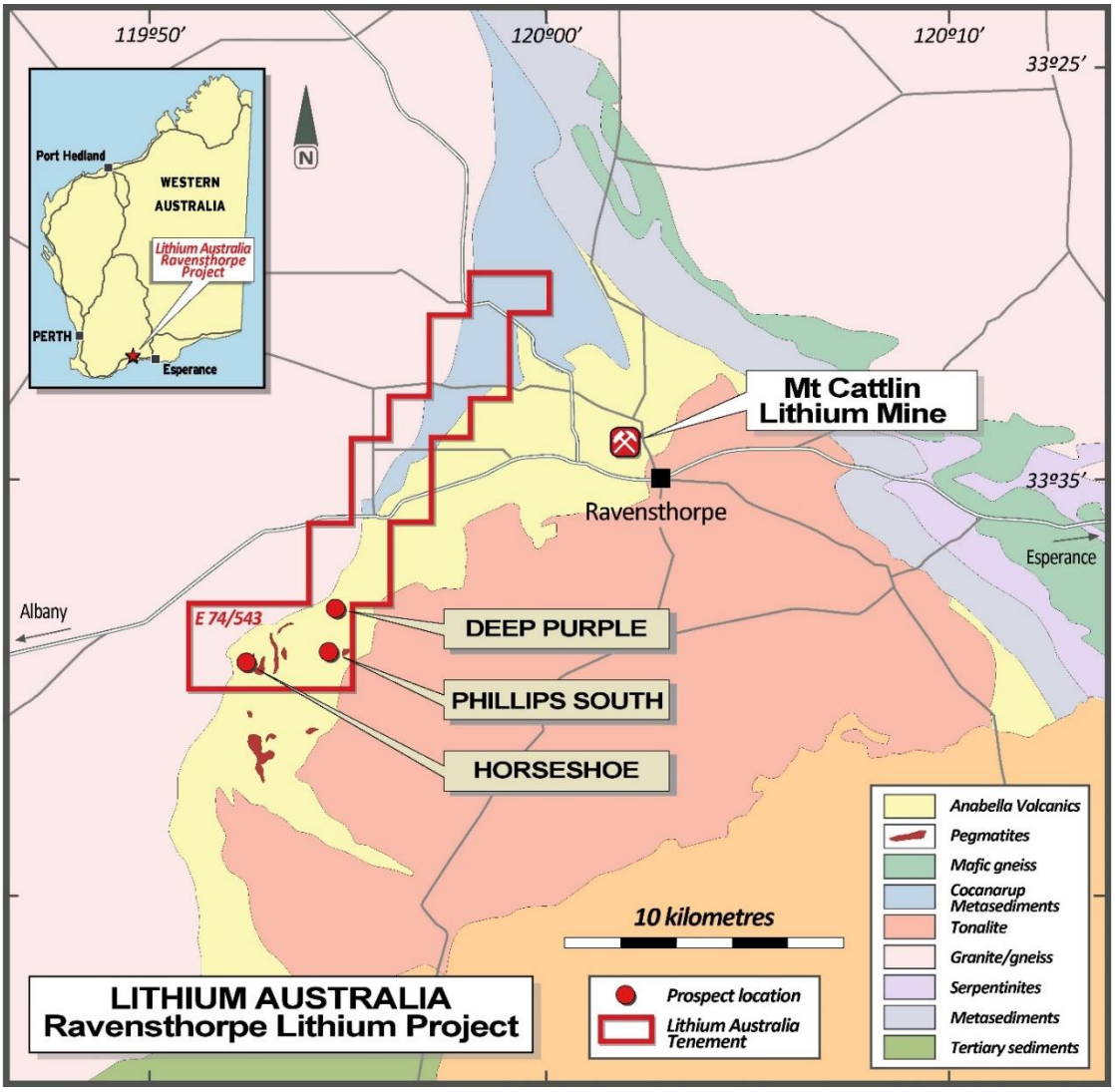
LIT has withdrawn the strategic alliance (refer ASX release 18 February 2016) with Venus Metals Corporation (ASX: VMC).

POSEIDON MOU

Following the completion of Poseidon's (ASX: POS) Medusa lithium exploration program, both parties jointly agreed to withdraw from the non-binding memorandum of understanding. The relationship between the LIT and POS remain strong. LIT and POS remain in frequent communication and will maintain open channels should either party identify a commercial lithium deposit in the future. Lake Johnston is located within a prospective area for lithium with discoveries to the north-west, east and south-west of the existing plant.

RAVENSTHORPE – WESTERN AUSTRALIA

Drilling of the Horseshoe Pegmatite within LIT's 100%-owned Ravensthorpe project, located 420 km east of Perth (see below), failed to define any economic lithium mineralisation. Costeaning completed on that pegmatite (ASX release 26 May 2017) showed that both lepidolite and spodumene mineralisation were irregular, forming discrete veins and pods.

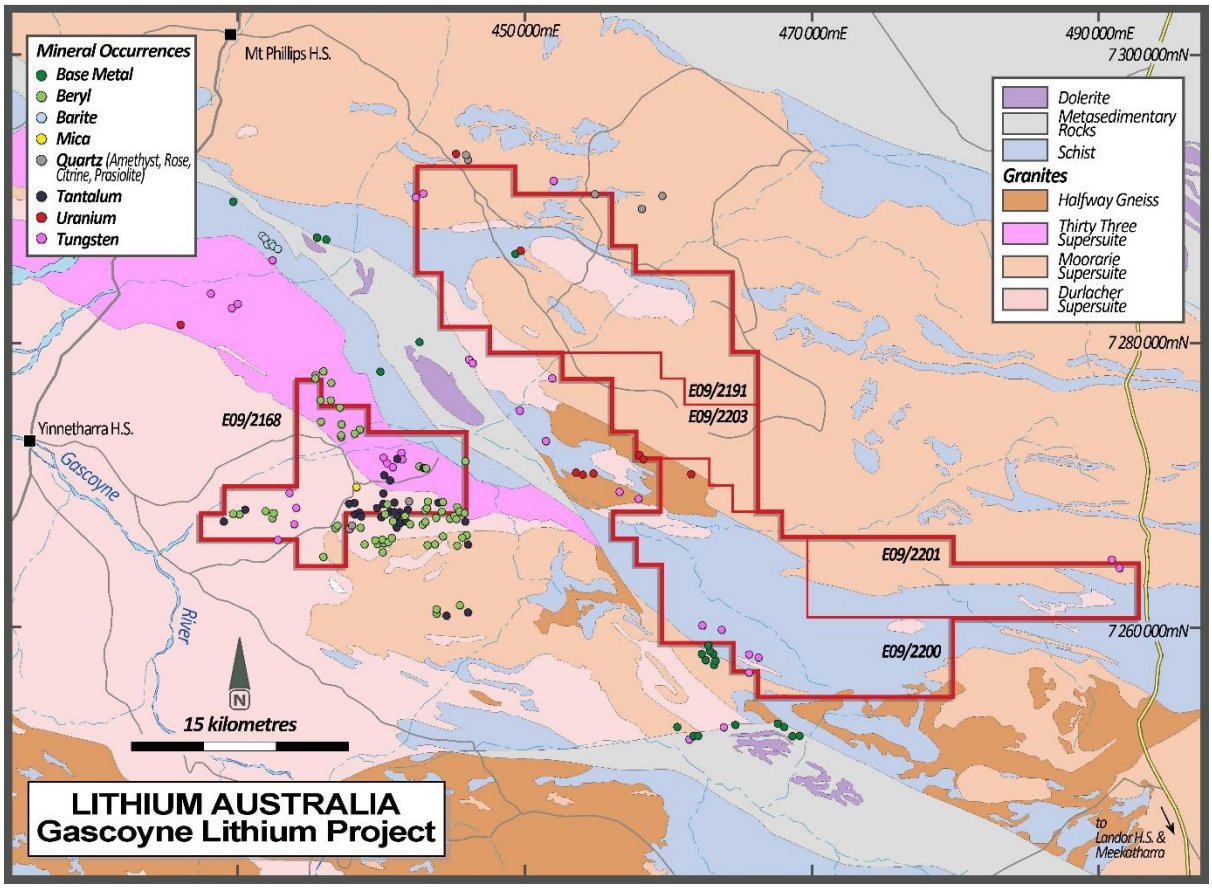


Location of LIT's Ravensthorpe lithium project.

Wet weather adversely affected drill-rig access and terminated the drilling campaign prematurely. Subsequent heavy rains also delayed drilling planned for Deep Purple, a lepidolite pegmatite east of the Horseshoe Pegmatite.

GASCOYNE – WESTERN AUSTRALIA

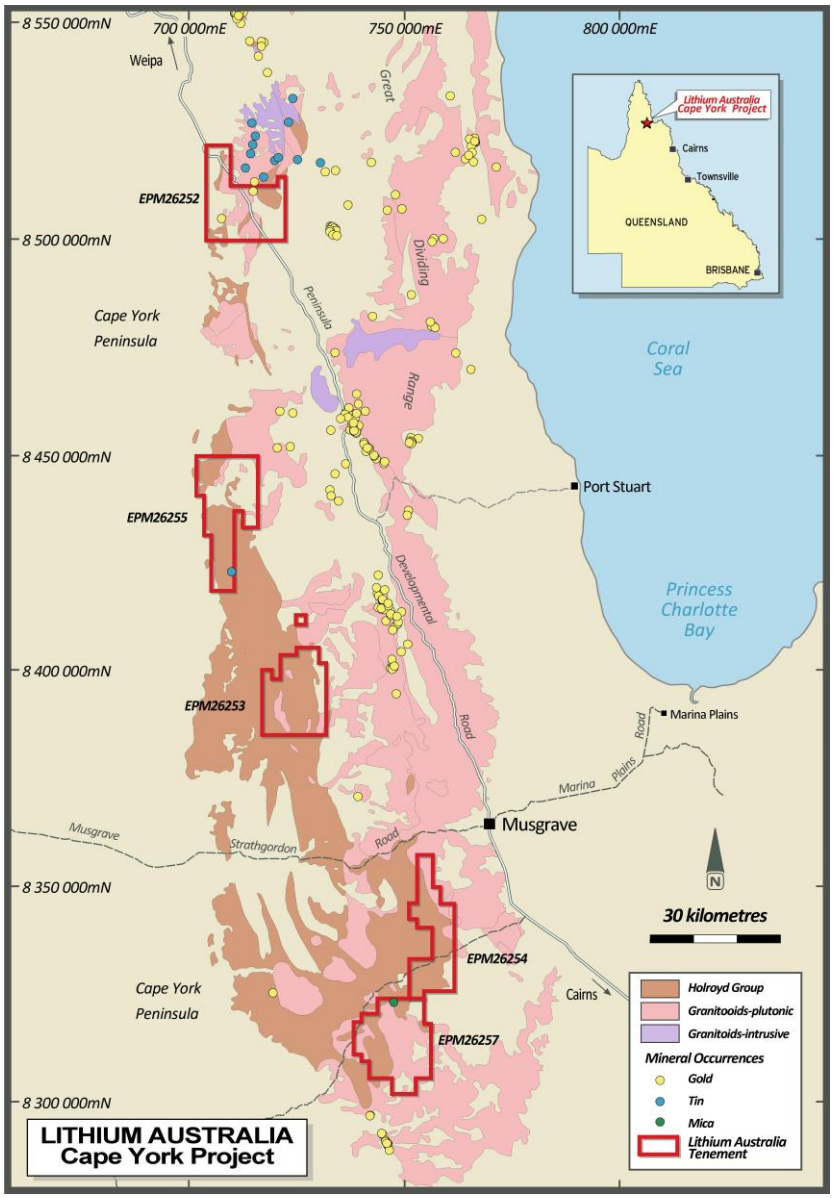
Geological reconnaissance and sampling was completed at LIT's 100%-owned Gascoyne project (see map below), 800 km north-northeast of Perth. The project, which lies along strike and adjacent to the Nardoo Pegmatite District, is spatially associated with peraluminous S-type granites of the Thirty Three and Durlacher Supersuites. These granites are interpreted to be the source of the pegmatites, as well as known lithium, rubidium, niobium, tantalum, tungsten and tin occurrences in the region.



Location of LIT's Gascoyne lithium project.

CAPE YORK – QUEENSLAND

LIT's 100%-owned Cape York project lies on the Cape York Peninsula in Queensland, 1,700 km northwest of Brisbane (ASX release 26 July 2016). On 20 December 2016 Notice to Progress EPM26252 was received, with the tenement granted on 19 January 2017. It is expected that EPM26255 (see below) will be granted by the end of January or early February 2018.



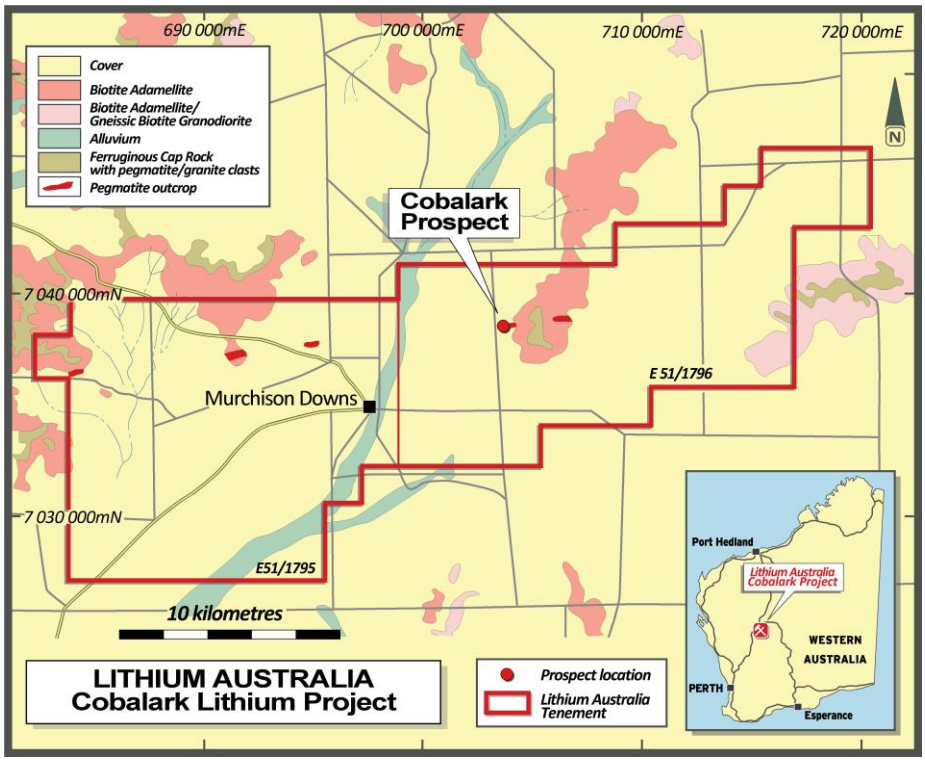
Location of LIT's Cape York project on the contact between the Holroyd Group and fertile granites.

COBALARK – WESTERN AUSTRALIA

LIT has applied for two exploration licences covering 355 km^2 at its 100%-owned Cobalark project 670 km northeast of Perth.

The tenements cover the Cobalark tantalum prospect and pegmatite outcrops along the Cobalark structural trend (see below). Previous exploration recorded more pegmatite outcrops than those mapped by the Geological Survey of Western Australia. Contact metamorphic effects within the host biotite adamellite suggest that greisens have developed along some of the contacts. Tantalum occurs as fine, disseminated grains in both the pegmatite and ferruginous capping rocks.

To date, no lithium exploration has occurred over any of the pegmatites in the project area.



Location of LIT's Cobalark project.

SEABROOK RARE METALS VENTURE – WESTERN AUSTRALIA

The Seabrook Rare Metals Venture (LIT 80%, Tungsten Mining (ASX: TGN) 20%) is located 385 km east-northeast of Perth. LIT has sent notice to Tungsten Mining of its intention to reduce the area.

OTHER OPPORTUNITIES

LIT is also exploring other opportunities in tantalum, tungsten, cobalt-manganese, graphite and rare-earth metals, with a view to directing further exploration efforts on currently held ground and via potential acquisition of quality Australian and overseas properties.

CORPORATE

LIT progressed its capital management plans taking advantage of price rises in equities held in other companies to bolster cash reserves. Similarly, price rises and increased liquidity in LIT shares provided an opportunity to effectively utilize the Controlled Placement Agreement to place stock at close to market prices.

During the quarter, LIT also secured a funding package from Arena Investors LP, a major US based institutional investor which committed to invest a net A$18.27M under a multi-tranche convertible note facility. Funds will be applied to advancing LIT's large-scale SiLeach® pilot plant, for the production of lithium chemicals and for recommissioning the VSPC lithium-ion battery cathode plant.

LIT will continue to monitor opportunities as it implements a capital management plan which will provide the financial resources required for all parts of the business.

SUBSEQUENT EVENTS

RECYCLING RESEARCH

As the market for power storage – and in particular lithium-ion batteries – reaches maturity, recycling will become a necessity globally. Much of the driving force behind recycling is the value of the cathode metals, cobalt especially. Although current recycling does recover most of the base metals, the recovery of lithium is close to zero. The reason for this disparity is simply the processing technology preferred by the companies doing the recycling. In other words, it can be resolved by improving processing options.

LIT is evaluating the logistical chain from 'cradle to grave', to determine the deportment of all components of lithium-ion batteries and develop a strategy that maximises the recovery of every material contained within those batteries at the end of their useful life. With the assistance of university research, that work has begun, the aim being to finalise a flow sheet for testing during 2018.

ABOUT LITHIUM AUSTRALIA NL

Lithium Australia aspires to 'close the loop' on the energy-metal cycle. Its disruptive extraction processes are designed to convert *all* lithium silicates to lithium chemicals, from which advanced components for the battery industry can be created. By uniting resources and the best available technology, Lithium Australia seeks to establish a vertically integrated lithium processing business.

COMPETENT PERSON'S STATEMENT

Competent Persons' Statement – Lithium Mineral Resources - Sadisdorf

The information in this announcement that relates to in situ lithium Mineral Resources for Sadisdorf is based on and fairly represents information compiled by Mr Thomas Branch under the direction and supervision of Dr Andrew Scogings, in accordance with the requirements of the JORC Code 2012. Dr Scogings is a full-time employee of CSA Global Pty Ltd and takes overall responsibility for the report. Dr Scogings is a Member of both the Australian Institute of Geoscientists and Australasian Institute of Mining and Metallurgy and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person in terms of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code 2012). Dr Scogings consents to the inclusion of such information in this announcement in the form and context in which it appears.

Competent Persons' Statement – Lithium Mineral Resources – Australia & Mexico

The information in this report that relates to Australian and Mexican Exploration Results, together with any related assessments and interpretations, is based on information compiled by Peter Spitalny and Adrian Griffin on behalf of Lithium Australia NL. Messrs Spitalny and Griffin are members of the Australasian Institute of Mining and Metallurgy and have sufficient experience relevant to the styles of mineralisation under consideration, and to the activity they have undertaken, to qualify as Competent Persons, as defined in the *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 edition)*.

Messrs Spitalny and Griffin consent to the inclusion in the report of the matters based on their information in the form and context in which it appears. LIT is not aware of any new information or data that materially affects that contained herein.

QUARTERLY ACTIVITIES REPORT

March 2018

Details of Mining Tenements at Quarter ended 31 March 2018
ASX Listing Rule 5.3.3

Australian Projects

Tenement ID	Name	Location	State	Interest
E09/2168	Yinnietharra	Gascoyne	WA	100%
E09/2191	Thomas River	Gascoyne	WA	100%
E09/2200	Mount James 2	Gascoyne	WA	100%
E09/2201	Mount James 1	Gascoyne	WA	100%
E09/2203	Mount James 3	Gascoyne	WA	100%
E45/4627	Kangan	Wodgina South	WA	100%[1]
E45/4630	Mungaleena	Pilgangoora East	WA	100%[1]
E45/4684	Strelley	Pilgangoora East	WA	100%[1]
P45/3004	Kagan	Wodgina South	WA	100%[1]
E45/4654	Hillside 1	East Pilbara	WA	100%
E45/4655	Hillside 2	East Pilbara	WA	100%
E45/4668	Hillside 4	East Pilbara	WA	100%
E51/1795	Cobalark 1	Meekatharra	WA	100%
E51/1796	Cobalark 2	Meekatharra	WA	100%
E59/2300	Edah 4	Mt Magnet	WA	100%
E59/2301	Edah 5	Mt Magnet	WA	100%
E63/1722	Lake Johnson	Dundas	WA	100%[2]
E63/1723	Lake Johnson	Dundas	WA	100%[2]
E63/1777	Lake Johnson	Dundas	WA	100%[2]
E63/1805	Mt Day A	Dundas	WA	100%
E63/1806	Mt Day B	Dundas	WA	100%
E63/1807	Mt Day C	Dundas	WA	100%
E63/1808	Mt Day D	Dundas	WA	100%
E63/1809	Lake Johnson S	Dundas	WA	100%
E70/4778	Greenbushes	Greenbushes	WA	100%
E70/4788	Greenbushes	Greenbushes	WA	100%
E70/4789	Greenbushes	Greenbushes	WA	100%
E70/4790	Greenbushes	Greenbushes	WA	100%
E70/4890	Greenbushes C	Greenbushes	WA	100%
E74/0543	Ravensthorpe	Ravensthorpe	WA	100%
E77/2279	Lake Seabrook	Yilgarn	WA	100%[3]
EL 5960	Vivonne Sa	Kangaroo Island	SA	100%
ELA30897	Angers	Bynoe	NT	100%
EPM 26252	Cape York 1	Cape York	QLD	80%[4]
EPM 26255	Cape York 2	Cape York	QLD	80%[4]
EPM 26339	Amber 1	Amber	QLD	80%[4]
EPM 26394	Amber 2	Amber	QLD	80%[4]
EPM 26395	Amber 3	Amber	QLD	80%[4]
EPM 26396	Amber 4	Amber	QLD	80%[4]
EPM 26583	Amber 6	Amber	QLD	80%[4]
EPM 26584	Amber 7	Amber	QLD	80%[4]
EPM 26585	Amber 8	Amber	QLD	80%[4]
M15/1809	Coolgardie	Coolgardie	WA	80%[4]
M15/664	Coolgardie	Coolgardie	WA	80%[4]
P15/5519	Coolgardie	Coolgardie	WA	80%[4]
P15/5574	Coolgardie	Coolgardie	WA	80%[4]
P15/5575	Coolgardie	Coolgardie	WA	80%[4]
P15/5625	Coolgardie	Coolgardie	WA	80%[4]
P15/5626	Coolgardie	Coolgardie	WA	80%[4]
P15/5629	Coolgardie	Coolgardie	WA	80%[4]

QUARTERLY ACTIVITIES REPORT

March 2018

Australian Projects

Tenement ID	Name	Location	State	Interest
P15/5739	Coolgardie	Coolgardie	WA	80%[4]
P15/5740	Coolgardie	Coolgardie	WA	80%[4]
P15/5741	Coolgardie	Coolgardie	WA	80%[4]
P15/5742	Coolgardie	Coolgardie	WA	80%[4]
P15/5743	Coolgardie	Coolgardie	WA	80%[4]
P15/5749	Coolgardie	Coolgardie	WA	80%[4]

[1] Strategic alliance with Venus Metals NL right to jointly explore for Lithium mica

[2] Lake Johnston Project - Lithium Australia holds the rights to Lithium, Lefroy Resources holds rights to gold and nickel

[3] Seabrook Rare Metals Venture (Lithium Australia 80%, Tungsten Mining 20%)

[4] Coolgardie Rare Metals Venture

International Projects

Project	Country		Interest
Electra Lithium Project (Tecolote, Tule, Agua Fria Concessions)	Mexico		54% [5]
Sadisdorf Deposit, Saxony	Germany	earning	50% [6]

[5] Electra Joint Venture - TSXV listed Infinite Lithium Corp (previously Alix Resources) Lithium Australia holds 54% with rights to earn upto 65%

[6] Sadisdorf Joint Venture - Tin International (subsidiary of Deutsche Rohstoff) Lithium Australia has rights to earn up-to 50%

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Lithium Australia NL

ABN	**Quarter ended ('current quarter')**
21 126 129 413	31 March 2018

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 and evaluation	(508)	(1,243)
	(b) development	–	–
	(c) production	–	–
	(d) staff costs	(540)	(885)
	(e) administration and corporate costs	(553)	(1,418)
1.3	Dividends received (see note 3)	–	–
1.4	Interest received	39	70
1.5	Interest and other costs of finance paid	–	–
1.6	Income taxes paid	–	–
1.7	Research and development refunds	–	1,790
1.8	Other (provide details if material)	–	–
1.9	**Net cash from/(used in) operating activities**	**(1,562)**	**(1,686)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(1)	(34)
	(b) tenements (see item 10)	–	–
	(c) investments	–	(185)
	(d) other non-current assets	(937)	(1,780)
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	–	–

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
	(b) tenements (see item 10)	–	–
	(c) investments	165	7,268
	(d) other non-current assets	–	325
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**	**(773)**	**5,594**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	1,424	8,304
3.2	Proceeds from issue of convertible notes	3,045	3,045
3.3	Proceeds from exercise of share options	–	–
3.4	Transaction costs related to issues of shares, convertible notes or options	(710)	(774)
3.5	Proceeds from borrowings	–	19
3.6	Repayment of borrowings	–	–
3.7	Transaction costs related to loans and borrowings	–	–
3.8	Dividends paid	–	–
3.9	Other	–	–
3.10	**Net cash from / (used in) financing activities**	**3,759**	**10,594**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	15,665	2,587
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,562)	(1,686)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(773)	5,594
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,759	10,594

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	–	–
4.6	**Cash and cash equivalents at end of period**	**17,089**	**17,089**

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	158	303
5.2	Call deposits	16,931	15,362
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)**	**17,089**	**15,665**

6.	**Payments to directors of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to these parties included in item 1.2	387
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	–
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

7.	**Payments to related entities of the entity and their associates**	**Current quarter $A'000**
7.1	Aggregate amount of payments to these parties included in item 1.2	–
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	–
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8.	**Financing facilities available** *Add notes as necessary for an understanding of the position*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
8.1	Loan facilities	–	–
8.2	Credit standby arrangements	–	–
8.3	Other (LITCE's)	40,838	–

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

LITCE - Current outstanding amounts on LITCE – 25 cent contributing shares

9.	**Estimated cash outflows for next quarter**	**$A'000**
9.1	Exploration and evaluation	852
9.2	Development	2,829
9.3	Production	0
9.4	Staff costs	554
9.5	Administration and corporate costs	890
9.6	Other (provide details if material)	
9.7	**Total estimated cash outflows**	**5,125**

10.	**Changes in tenements (items 2.1(b) and 2.2(b) above)**	**Tenement reference and location**	**Nature of interest**	**Interest at beginning of quarter (%)**	**Interest at end of quarter (%)**
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2	Interests in mining tenements and petroleum tenements acquired or increased	E59/2300 E59/2301 EPM 26584 EPM 26585	Tenement granted Tenement granted Tenement granted Tenement granted	0 0 0 0	100 100 80 80

COMPLIANCE STATEMENT

1. This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2. This statement gives a true and fair view of the matters disclosed.

Sign here: 'Barry Woodhouse' Date: 27 April 2018
(~~Director/~~Company secretary)

Print name: Barry Woodhouse

Notes

1. The quarterly report provides a basis for informing the market on how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.

2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by the 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.