



ASX Release
6 August 2018
ASX: NLI

Corporate Directory

Non-Executive Chairman
John Fitzgerald

Non-Executive Director
Dudley J Kingsnorth

Managing Director
Justin Tremain

Technical Director
Francis Wedin

Fast Facts

Issued Capital	372.8m
Market Cap	\$15.3m
Cash & Rec. (30 Jun 18)	\$16.0m

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Novo Lítio to Acquire Highly Prospective Gold Project, Côte d'Ivoire, West Africa

Novo Lítio Limited (ASX: NLI) ('Novo Lítio' or 'Company') is pleased to announce that it has entered into a binding Heads of Agreement with Apollo Consolidated Limited (ASX:AOP) ('Apollo') to acquire an 80% interest in Apollo's gold projects located in northern Côte d'Ivoire, West Africa ('Côte d'Ivoire Gold Projects').

Highlights

- **Substantial 830km² position favourably located on the convergence of two proven greenstone belts (Syama and Tongon Gold Belts)** (refer Figures One and Two)
- **Multiple large, high tenor, coherent gold-in-soil anomalies confirmed with aircore drilling but remain untested with bedrock drilling**
- **Antoinette the only prospect subject to RC drilling, which returned exceptional results from limited drilling including** (refer AOP ASX announcements dated 13 July 2016 and 30 November 2016):
 - 17m @ 22.52g/t gold from 8m
 - 14m @ 11.24g/t gold from 12m
 - 35m @ 2.93g/t gold from 65m
 - 11m @ 9.07g/t gold from 50m
 - 11m @ 6.69g/t gold from 10m
 - 10m @ 6.86g/t gold from 58m
 - 6m @ 10.56g/t gold from 44m
 - 8m @ 7.35g/t gold from 84m
 - 18m @ 3.10g/t gold from 32m
- **One of West Africa's most sought after addresses and surrounded by recent +1Moz gold discoveries**
- **Along strike from Resolute's 11.5Moz Syama Project and Randgold's 4.2Moz Tongon Project. Adjacent to Randgold's recent Fonondara gold discovery¹**
- **Drilling planned to commence Q42018 following Novo Lítio shareholder approval**
- **Extremely well-funded with over \$15.0 million cash post acquisition to fund an aggressive resource drill out and exploration program**
- **Proposed change of company name to 'Exore Resources Limited'**
- **Continue to pursue legal rights in relation to the Sepeda Lithium Project, Portugal**
- **Non-Executive Director, Professor Dudley Kingsnorth, will voluntarily step down from the Board effective 31 August 2018**

¹ Randgold Tongon Gold Mine Presentation Jan 2018 | Exploration target of 1.0-1.5Moz at 2.5g/t

Managing Director of Novo Lítio, Justin Tremain, commented:

“The Company is very excited to be acquiring such high-quality gold exploration projects in an increasingly sought-after gold province. We are confident of quickly defining a maiden JORC resource estimate and see excellent potential for further gold discoveries. Côte d’Ivoire is an established and proven jurisdiction for exploration, permitting and mine development, with an attractive fiscal regime and mining code. The country has seen five gold mines developed over the past 10 years with several recent additional +1Moz gold discoveries at resource definition/feasibility stage.

Novo Lítio will retain its substantial cash position of over \$15 million to fund an accelerated exploration and drilling campaign on the projects. The Company will also continue to pursue its legal rights to ownership of the Sepeda Lithium Project in Portugal.”

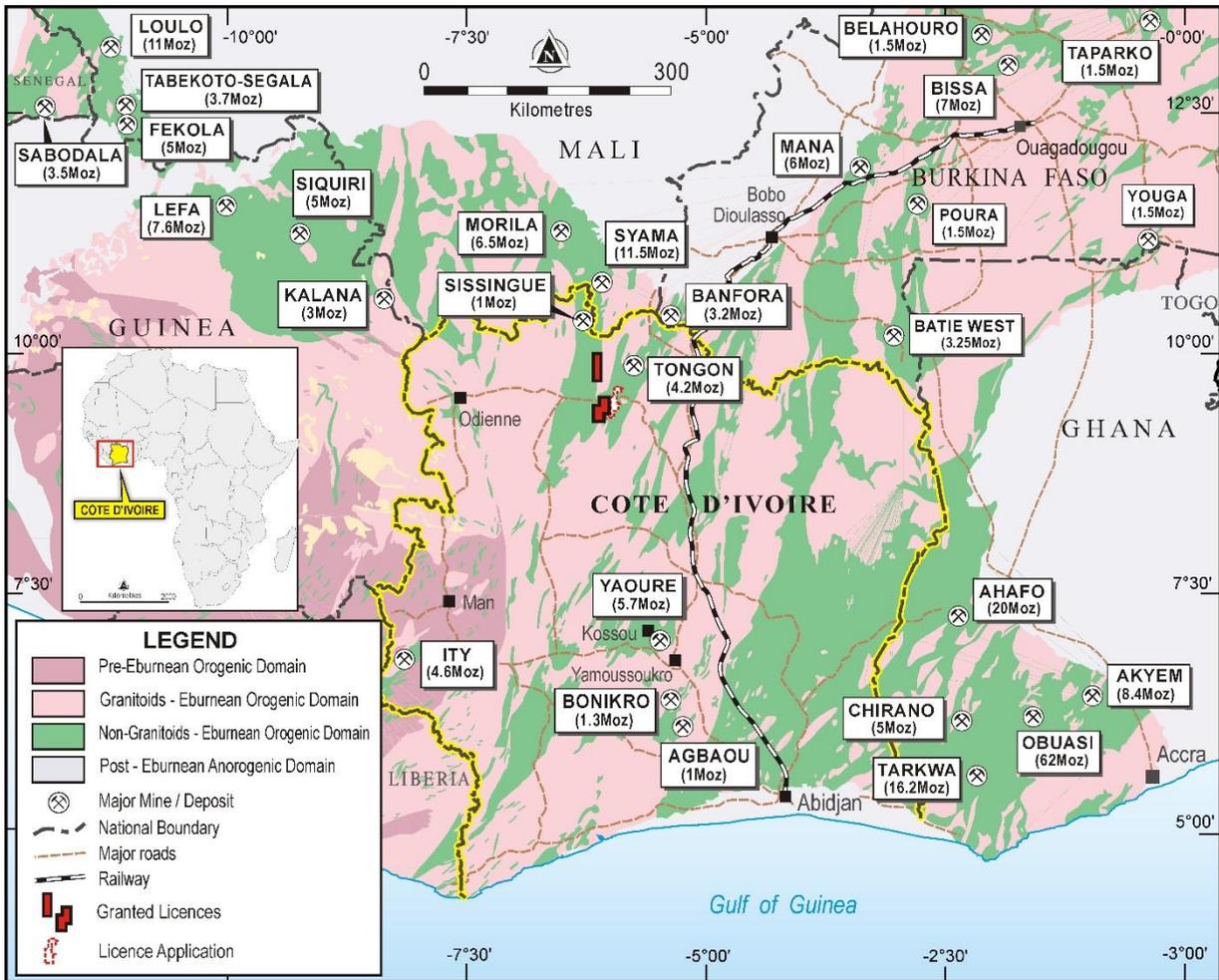


Figure One | Location of Côte d’Ivoire Projects

Côte d'Ivoire Gold Projects

The Côte d'Ivoire Gold Projects cover a substantial ground position of 830km² on the convergence of two of West Africa's most prolific gold belts (refer Figures One and Two), the Tongon Gold Belt and the Syama Gold Belt which extend into northern Côte d'Ivoire from Burkina Faso and Mali respectively. The Côte d'Ivoire Gold Projects comprise the granted Boundiali Permit (379km²), granted Korhogo Permit (271km²) and the Korhogo NE application (180km²).

Significant nearby gold deposits associated with the same geology and structures include (refer Figure Two):

- 4.2Moz Tongon Gold Mine (Randgold) located ~40 kilometres to north-east
- 11.5Moz Syama Gold Mine (Resolute) located ~90 kilometres to the north
- 1.0Moz Sissingue Gold Mine (Perseus) located ~50 kilometres to the north
- Fonondara /Boundiali gold discovery (Randgold) located immediately adjacent to the west

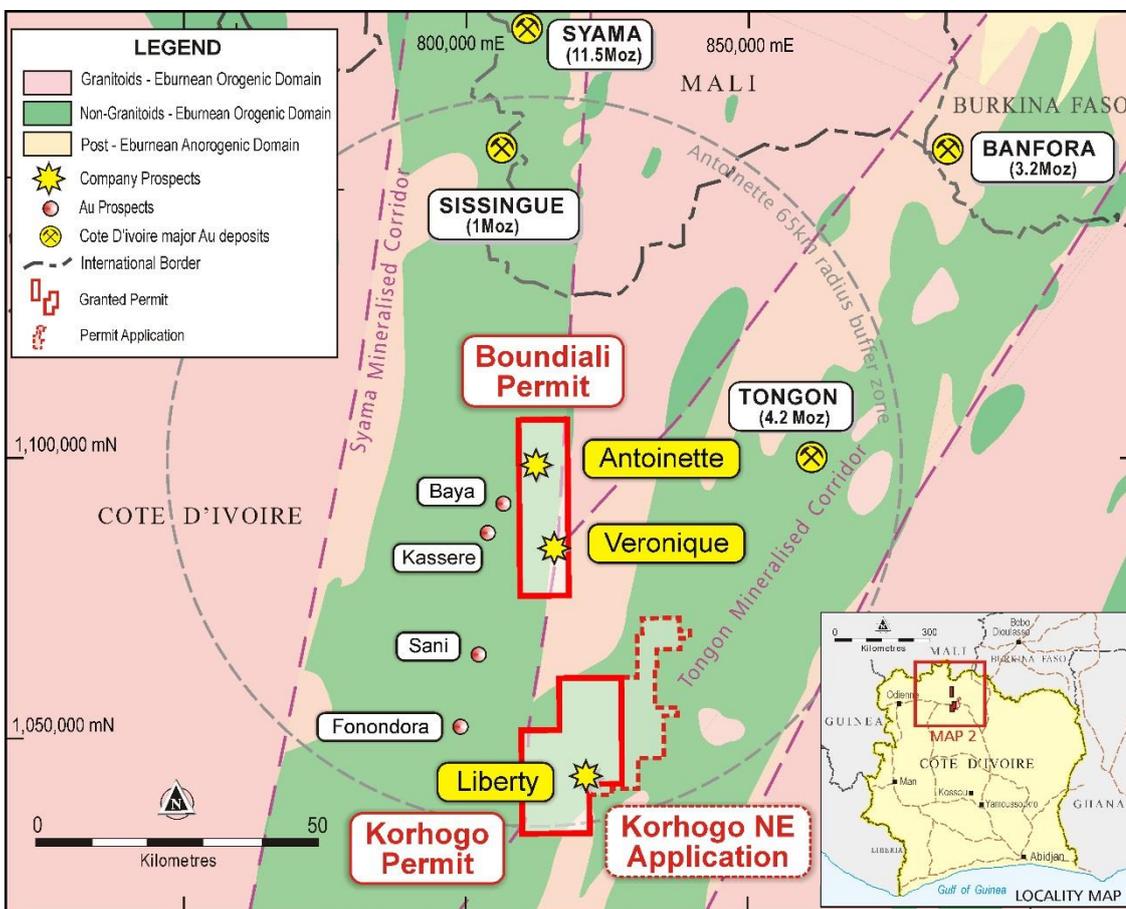


Figure Two | Cote d'Ivoire Permits & Geology

Apollo has been exploring the Côte d'Ivoire Gold Projects through intermittent, campaign style programs since the permits were granted at the end of 2014. Apollo has collected approximately 4,000 soil samples across broad grids over discreet areas within the 830km² of tenure. Much of the prospective project area remains unsampled. The limited sampling to date has already defined several large, coherent gold-in-soils anomalies, most of which remain open. Many of the anomalies have been confirmed with broad spaced air core drilling but only one prospect, the Antoinette Central Prospect, has been tested with Reverse Circulation ('RC') drilling.

Whilst the drilling at Antoinette has yielded highly encouraging results which demonstrate a potentially economic and significant gold discovery at Antoinette, Novo Lítio considers some of the other prospects defined by Apollo to be of higher priority but are not yet tested with any drilling. The region has seen good conversion of soil anomalies to bedrock gold discoveries.

Boundiali Permit

Geochemical sampling has defined two major prospects within the Boundiali Permit; the Antoinette Prospect and the large Veronique Prospect. Much of the Boundiali Permit remains to be explored with surface sampling.

Antoinette Prospect

RC drilling at Antoinette Central has confirmed good continuity of mineralisation over +600 metres of strike which remains completely open, both along strike and down dip. Mineralisation is NNE striking and SW dipping and is relatively consistent along strike and down dip. Soil sampling and aircore drilling confirm at least a further 250 metres of strike potential to the north and 200 metres to the south, which is limited only by lack of further sampling. The majority of drilling has been to a depth of just 100 metres. The mineralised zone is relatively deeply weathered (50-60 metres) providing scope for significant oxide gold resources.

A total of 28 holes for 3,034 metres of RC drilling was completed at the Antoinette Central Prospect with 27 holes returning significant results (+20gm) including (refer AOP ASX announcements dated 13 July 2016 and 30 November 2016).

- 17m @ 22.52g/t gold from 8m	- 7m @ 5.65g/t gold from 21m
- 14m @ 11.24g/t gold from 12m	- 10m @ 3.58g/t gold from 56m
- 35m @ 2.93g/t gold from 65m EOH	- 5m @ 7.15g/t gold from 102m
- 11m @ 9.07g/t gold from 50m	- 13m @ 2.74g/t gold from 0m
- 11m @ 6.69g/t gold from 10m	- 10m @ 3.37g/t gold from 13m
- 10m @ 6.86g/t gold from 58m	- 9m @ 3.23g/t gold from 9m
- 6m @ 10.56g/t gold from 44m	- 10m @ 2.86g/t gold from 1m
- 8m @ 7.35g/t gold from 84m	- 8m @ 3.25g/t gold from 56m
- 18m @ 3.10g/t gold from 32m	- 8m @ 2.90g/t gold from 52m
- 9m @ 5.29g/t gold from 15m	- 4m @ 5.69g/t gold from 14m
- 15m @ 2.84g/t gold from 115m	- 9m @ 2.44g/t gold from 68m
- 6m @ 6.77g/t gold from 90m	- 9m @ 2.44g/t gold from 20m

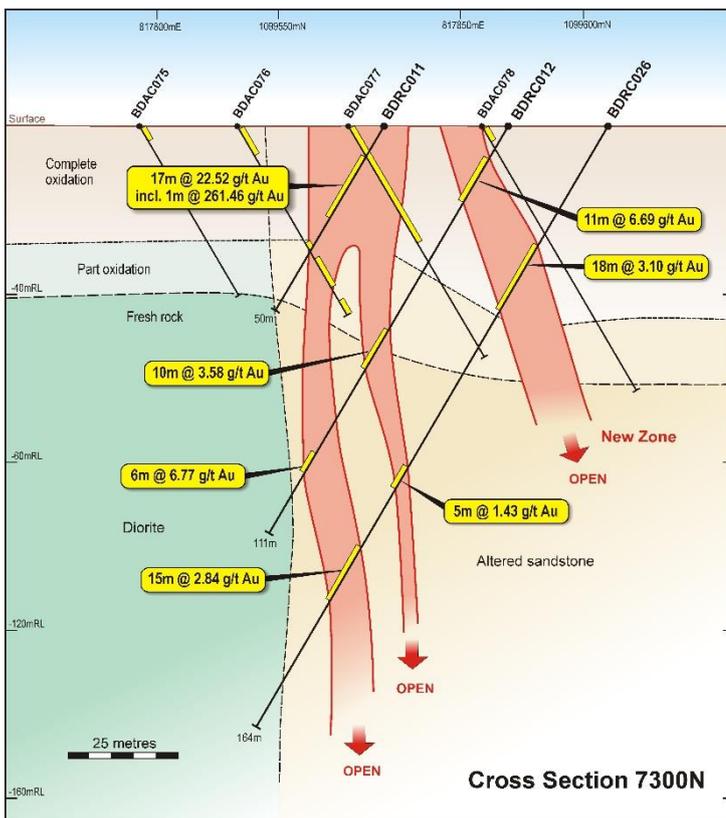


Figure Three | Antoinette Central Prospect, Boundiali Permit - Cross Section

Gold mineralisation is largely hosted by altered sandstone that is flanked and intruded by diorite dykes. Alteration consists of silica, carbonate and sericite, with disseminated sulphides (pyrite +/- arsenopyrite). Surface geochemistry and aircore drilling, along with artisanal mining activity, support the potential for multiple parallel zones of mineralisation at Antoinette which remain untested with RC drilling. Aircore results include 4m @ 13.68g/t gold approximately 4 kilometres along strike to the south of the RC drilling at Antoinette Central and 9m @ 3.17g/t gold (EOH) in a parallel zone to the west (refer AOP ASX announcements dated 3 April 2017 and 15 February 2016).

In January 2017, Apollo undertook sighter 'bottle-roll' tests on five composite fresh-rock RC drill samples (refer AOP ASX announcement dated 9 January 2017). 'Bottle-roll' tests provide only a preliminary indication of cyanide-leachable gold and the tests were unoptimized. The results indicated approximately 70% of the gold in fresh-rock was 'free-milling'. No diagnostic leach testing was undertaken to optimise and increase the cyanide-leachable gold. Novo Lítio has had the results independently reviewed as part of its due diligence and believes the samples are not representative of likely overall resource and there is scope for optimisation. There were also several inconsistencies in the results that require further investigation. No 'bottle-roll' tests were carried out on oxide samples which accounts for the bulk of currently drilled mineralisation.

Veronique Permit

The Veronique Prospect is defined by a 6 kilometre by 1.5-kilometre area of highly anomalous soil samples striking NNE, often grading >200ppb gold in soils with up to 1,320ppb gold. The anomaly is completely open. No artisanal mining activity is present and therefore risk of contamination in the soil sampling results is low. The Veronique Prospect is a high priority target offering major discovery potential and will be an immediate focus with aircore drilling to quickly define RC drill targets.

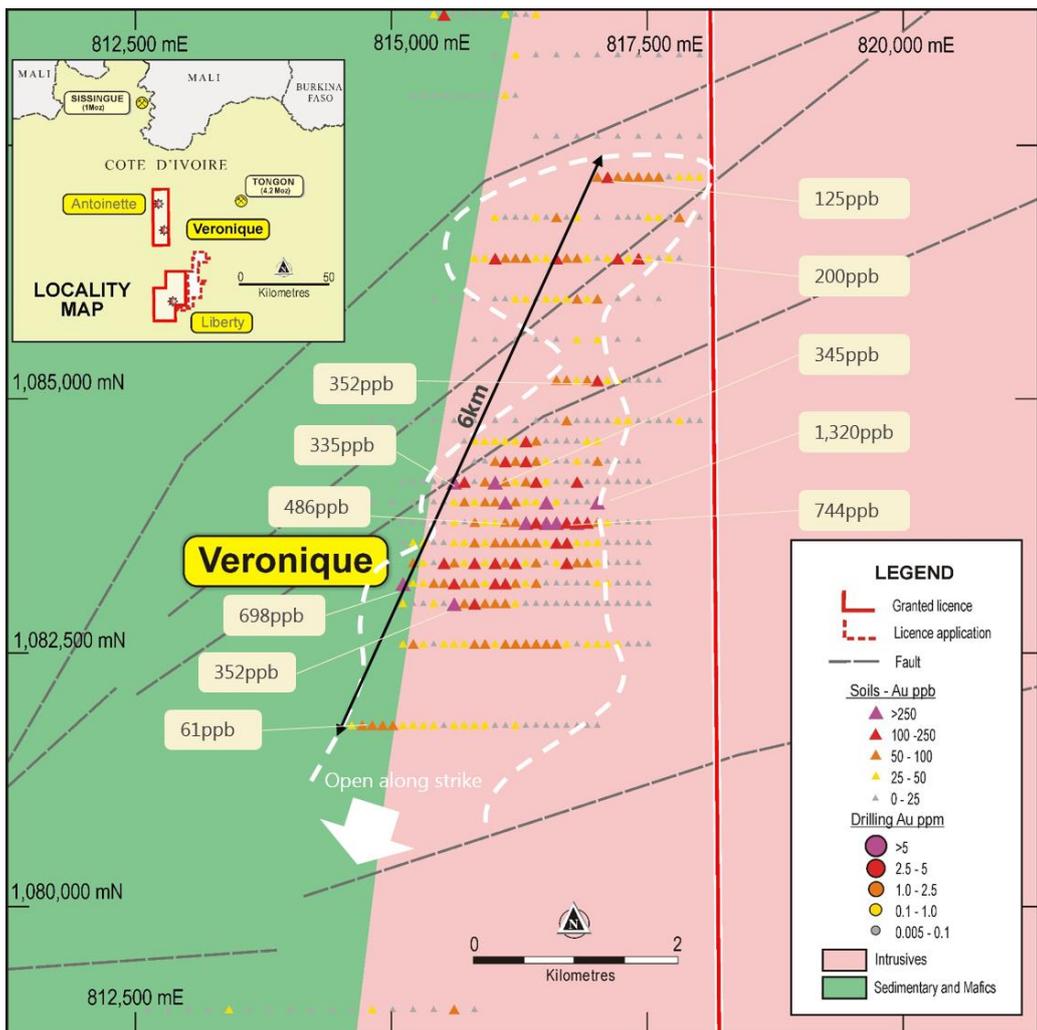


Figure Four | Veronique Prospect, Boundiali Permit - Geochemistry & Geology

Korhogo Permit

To date, exploration has focussed on only ~30% of the Korhogo Permit area. Limited work at the Liberty Prospect has defined a 20-kilometre long gold-in-soil anomaly along the prolific Tongon structural gold trend. Randgold's recent Fonondara gold discovery is located immediately west on the licence boundary. Randgold have stated Fonondara as a potential 1-1.5Moz ounce discovery at +2.5g/t (Randgold Tongon Gold Mine Presentation, Jan 2018) and view the prospect as "the most exciting gold prospect in West Africa"².

No RC drilling has been carried out but results from wide spaced shallow aircore drilling include (refer AOP ASX announcements dated 24 July 2017 and 8 June 2018):

- | | |
|-------------------------------|-------------------------------|
| - 4m @ 3.15g/t gold from 8m | - 4m @ 5.01g/t gold from 5m |
| - 12m @ 2.27g/t gold from 0m | - 12m @ 2.02g/t gold from 32m |
| - 12m @ 2.04g/t gold from 0 m | - 8m @ 2.20g/t gold from 16m |

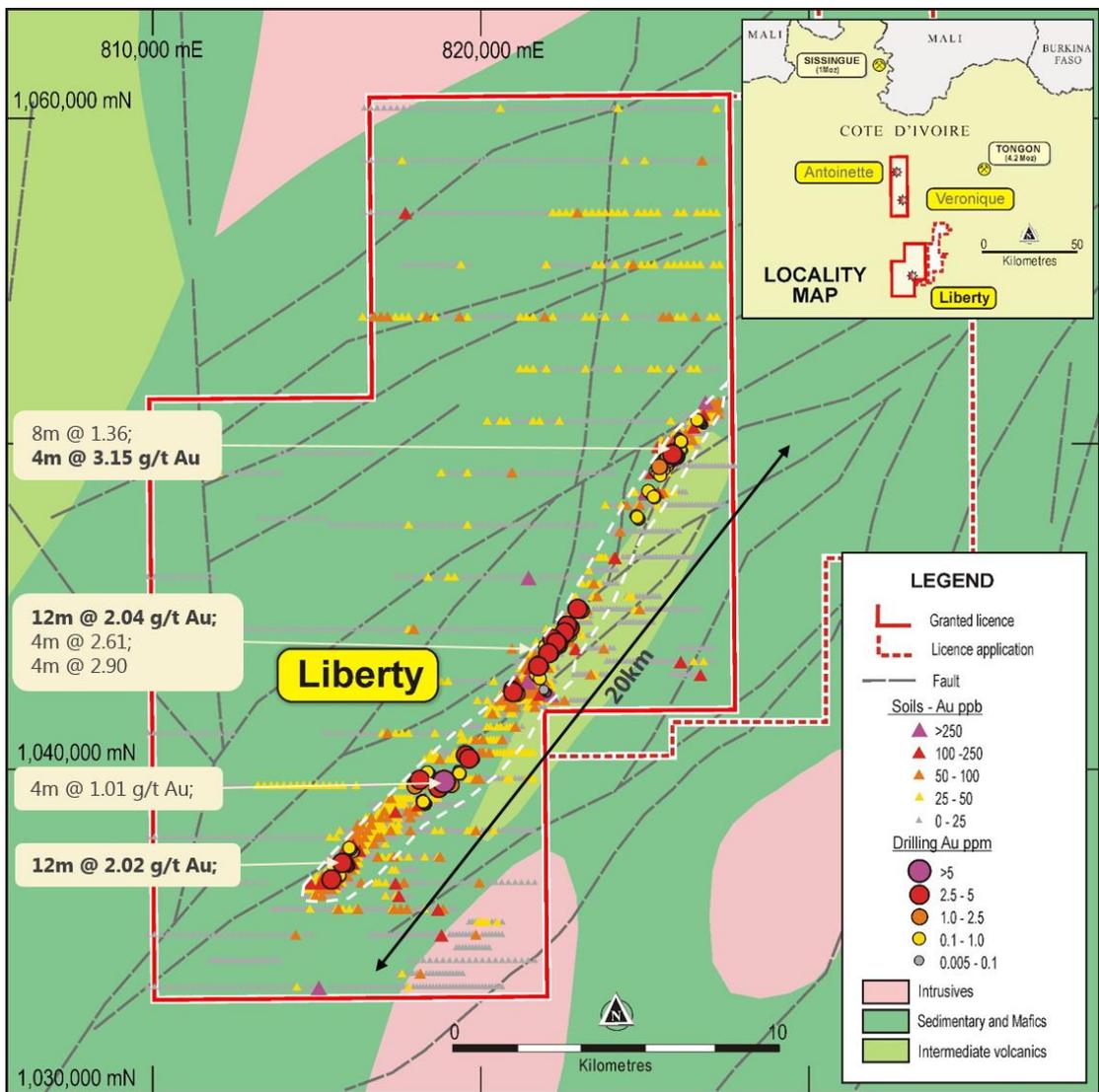


Figure Five | Liberty Prospect, Korhogo Permit - Geochemistry, Aircore & Geology

² <http://miningafricaonline.co.za/index.php/news-and-events/news-archive/3491-randgold-defines-most-exciting-gold-prospect-in-west-africa>

Planned Exploration Activity

Following shareholder approval (expected late September 2018), Novo Lítio is planning to commence drilling in Q4 2018. One RC drill rig will commence a resource drill out program at the Antoinette Prospect to define a maiden JORC resource estimate. A second rig will undertake first pass and follow-up drilling of other prospects including the high priority Veronique Prospect, where up to 1,320ppb gold-in-soils has been returned.

Much of the 830km² ground position remains untouched by exploration. In addition to the planned drilling, Novo Lítio will undertake comprehensive regional mapping, stream and soil sampling over the entire project area, along with geophysical surveys. Already, the Company is planning a regional ~15,000 sample surface geochemical program.

Côte d'Ivoire

Côte d'Ivoire is one of Africa's most developed countries with outstanding infrastructure including an expansive network of high voltage transmission lines distributing hydro-electrical power. There are several high voltage transmission lines in northern Côte d'Ivoire in close proximity to the Côte d'Ivoire Gold Projects. There are excellent bitumen roads throughout the north part of the country. These roads provide good access to the project areas with only relatively short distances of unsealed roads which are in excellent condition and should provide near all year-round access to the projects.



Côte d'Ivoire has the largest endowment of mapped greenstone belts in West Africa which provide massive scope for new gold discoveries given the limited amount of historical exploration.

Côte d'Ivoire has experienced a period of political stability since 2011 with consistent >7% pa GDP growth. The last general elections were held in 2015 and the next are scheduled for 2020. A new modern, transparent and attractive mining code was implemented in March 2014 which provides for:

- Tax holiday for initial 5 years of production
- Variable royalty rate based on prevailing gold price (3.5% at US\$1,000-US\$1,300/oz)
- 10% government interest in mining licences following capital repayment
- Exemption from VAT and Import Duties for both exploration and mining licences
- Exploration licences valid for initial term of 4 years with the right to further two 3-year renewals and a further 2-years for feasibility (i.e. 12 years in total)
- Mining licences valid up to 20 years with consecutive 10-year renewals
- Right to 12-year Mining Convention (renewable for 10-year periods) to provide long term certainty

Acquisition Terms

Following completion of legal and financial due diligence, Novo Lítio will pay a A\$250,000 exclusivity fee to Apollo.

On settlement of the acquisition, Novo Lítio will issue 90 million shares to Apollo to acquire an 80% interest in the Côte d'Ivoire subsidiary company that holds a 100% interest in the Côte d'Ivoire Gold Projects, Aspire Nord Cote d'Ivoire SARL ('Aspire'). Apollo will retain a 20% interest free carried until 'Decision to Mine'. The shares issued to Apollo will be subject to a voluntary 12-month escrow period (unless Apollo chooses to undertake an in-specie distribution to its shareholders). There are no third party or commercial royalties attached to the projects.

	Current Structure	Post-Acquisition
Share Price	4.1 cents	4.1 cents
Shares on Issue	372.8M	462.8M
Market Capitalisation	\$15.3M	\$19.0M
Approximate Cash	\$16.0M	\$15.7M
Enterprise Value	(\$0.7M)	\$3.3M

The Novo Lítio shares will only be issued upon a 3-year permit renewal, which are due at the end of 2018. Under the Côte d'Ivoire mining code, both permits can be renewed for further periods totalling 8 years (3ys+3yrs+2yrs). If the renewal is not received by March 2019, Novo Lítio will pay an additional A\$250,000 to Apollo to defer the issue of the shares until the earlier of renewal or October 2019. If the renewal is not received by 28 October, Novo Lítio may terminate the acquisition.

Novo Lítio has consulted with the ASX who have confirmed that the acquisition will not be subject to a re-compliance with the admission requirements under Listing Rule 11.1.3 or to shareholder approval under Listing Rule 11.1.2. Novo Lítio will seek shareholder approval for the issue of the 90 million consideration shares pursuant to Listing Rule 7.1. A Notice of Meeting is expected to be dispatched to shareholders shortly with a likely shareholder meeting date of mid-September 2018 (may be subject to change). Once shareholder approval is obtained the joint venture between Novo Lítio and Apollo will have deemed to be formed and Novo Lítio will start exploration activities. Novo Lítio agrees that, subject to settlement, it will incur a minimum of \$5 million on expenditure over 2 years. If Novo Lítio does not meet the minimum expenditure it will pay Apollo 20% of the difference between \$5 million and the actual expenditure by Novo Lítio. The joint venture will be managed and operated on standard terms, with Novo Lítio to have sole discretion to decide the expenditure until Decision to Mine.

The Company may also seek a waiver from the ASX to allow the issue the consideration shares beyond 3 months from the shareholder approval date.

To reflect the new direction of the Company, it is proposed to rename the Company to 'Exore Resources Limited'.

Portugal | Sepeda Lithium Project

Novo Lítio continues to reserve its legal rights in relation to the Sepeda Lithium Project in Portugal. Novo Lítio has engaged a new law firm in Portugal, Coelho Ribeiro & Associados, to advise it on the dispute going forward. If Novo Lítio is unable to reach a commercial settlement, it intends to pursue its rights in the Portuguese Courts.

For further information please contact

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Competent Person Statement

The information in this report that relates to Exploration Results is based on information compiled by Dr Francis Wedin, who is a Member of the Australasian Institute of Mining and Metallurgy. Dr Wedin is a full-time employee of Novo Lítio 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 as defined in the 2012 Edition of the "Australasian Code for reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves" (JORC Code). Dr Wedin consents to the inclusion in this report of the matters based upon the information in the form and context in which it appears. Information in this release is extracted from the reports and announcements from Apollo (ASX:AOP) which are available to view on Apollo's ASX announcement platform and its website available to view at <http://www.apolloconsolidated.com.au/investor-centre/announcements>. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.