ASX: LPD

QUARTERLY ACTIVITIES REPORT

for the period ending 30 September 2024

(All figures are unaudited and in A$ unless stated otherwise)

Key Points

Development & Finance

- Priority is to secure finance for the sub-US$50 million Karibib mine and mineral concentrator in Namibia, initially with lepidolite concentrate supply to third-party converters
- Karibib strategic partner process launched by Jefferies International Limited, engagement with multiple parties is based on a collaborative development approach
- Karibib remains one of the most advanced hard rock lithium development projects globally with Front End Engineering & Design (FEED) complete and all requisite permits in place
- Exclusive Prospecting Licence 5439 (EPL5439) renewed by the Ministry of Mines and Energy, Namibia for 2 years; land access agreements being negotiated to allow drilling to start on priority lepidolite target at Berger's
- Commissioning started in October of the £9 million Cornish Lithium concentrator and L-Max®/LOH-Max® conversion facility in the UK, with Strategic Metallurgy (SM) providing technical support

Products & Marketing

- Lepidolite concentrate supply agreement negotiations integrated with the Karibib strategic partner process
- World-leading research university evaluation of rubidium as a partial substitute for caesium returns encouraging initial results

Corporate & Growth

- Cash and equivalents at 30 September 2024 of $2.7 million
- Jefferies International Limited exclusive engagement expanded to maximise value of the Karibib Lithium project to include wide breadth of deal structures from possible minority equity partner to asset sale
- Further austerity measures implemented during the quarter that included a reduction in staff numbers across the Lepidico Group

DEVELOPMENT & FINANCE

Lepidico continues to have a zero-harm track record since health and safety incident reporting began in September 2016, while no environmental incidents were reported in the quarter.

Finance

Lepidico's strategic imperative remains to advance the business to free cash flow generation. A secondary imperative is to demonstrate the commercial viability of its proprietary process technologies. A staged finance and development strategy is being pursued; based on the initial development of the Karibib mine and concentrator for production of a lepidolite rich lithium mica concentrate to be sold to third-parties. Once operational, consideration will be given to the development of a downstream L-Max®/LOH-Max® chemical conversion plant, either in Abu Dhabi or another strategic, cost-competitive location.

On 1 September 2024, the Company engaged Jefferies International Limited ("Jefferies") to act as the Company's exclusive financial advisor in connection with maximising the value of the Karibib Lithium Project, with potential to expand the scope to other assets if strategically attractive. A wide breadth of deal structures may be considered, from securing a minority equity partner to an asset sale.

Outreach to potential partners has included entities where the Company has previously had engagement, as well as to new prospective partners that have been identified as having interest in direct involvement in upstream hard rock lithium assets. Organisations that have specific interest in Lepidico's novel and sustainable proprietary lithium mica process technologies are also being considered. The outreach is global and spans organisation types that include, but is not limited to, private corporations, state owned enterprises, investment funds and private equity. All transaction proposals will be assessed based on certainty, sustainability and for their ability to maximise value for shareholders.

Engagement by Lepidico and Jefferies is ongoing with multiple groups for both securing of finance and strategic partnership. Several indicative non-binding proposals for bridge finance have been received. Constructive engagement continues with other prospective partners with the objective of receiving alternative proposals in the near-term.

It is planned that debt funding alternatives for the Karibib development will be reviewed after a strategic partner is secured.

Namibia Mine & Concentrator

Securing finance for the now sub-US$50 million mine and mineral concentrator in Namibia is the main business priority. While the U.S. Government's DFC continues to be the lender of choice, as per the formal mandate letter of October 2020, alternative debt funding solutions may be desirable based on the capabilities of a strategic partner.

The shovel ready Karibib Project has been substantially derisked and as such represents one of the most advanced development stage lithium projects globally. All permits are in place, including mining licence (ML204), environment permit and water abstraction licence. The latter supports a doubling in flotation plant output versus the current design of 60,000t per year of mica concentrate. The Ore Reserve provides for a 19-year production life at nameplate throughput with the potential to extend from conversion of existing Mineral Resources and exploration (See Exploration & Resource Development Section).

Mineralisation at Karibib is predominately lepidolite and lithian muscovite, which produces a high-quality concentrate when compared with most other operating or development stage lithium mica mines. Over the first 7 years of operation the concentrate grade is predicted to average over 3.0% Li_2O and over the balance of the mine life remain at or above 2.5% Li_2O. By way of reference Shanghai Metals Market (SMM) quotes two specifications of lepidolite concentrate 1.5-2.0% and 2.0-2.5% Li_2O. The Karibib product is expected to equal or exceed the upper end of the SMM quoted premium specification lithium grade for mica concentrates. Furthermore, the Karibib ore has relatively low levels of potentially deleterious elements and contains elevated concentrations of potassium, caesium and rubidium; potentially valuable by-products depending on the conversion process used.

Staged development, with Karibib supplying concentrate to a third party (or parties) with a subsequent commitment to the downstream chemical plant, is far less onerous than securing the multiple finance facilities necessary for the vertically integrated project.

Chemical Conversion Plant

Prioritising the development at Karibib ahead of a downstream chemical plant affords the time to consider alternative cost competitive locations to Abu Dhabi that prove to be preferable to prospective strategic partners. Consideration will be given to alternative chemical conversion locations under the Jefferies strategic partner process.

Securing a partner and/or cornerstone public sector financier for the Abu Dhabi chemical plant has proved to be more challenging than initially envisaged, given the broad domestic enthusiasm voiced for the project, which led Lepidico to the selection of KEZAD as the industrial park for development.

Potential remains for UAE public sector involvement, supported by the Australia-UAE Comprehensive Economic Partnership Agreement (CEPA). It was announced on 17 September 2024 that CEPA negotiations had concluded, with the treaty now being prepared for signature and entry-into-force in accordance with Australia´s domestic treaty making process.

One of the key Australia-UAE CEPA negotiating objectives is to “facilitate two-way investment between Australia and the UAE, including in those sectors that underpin the energy transition”.

Minister for Trade and Tourism Special Minister of State Senator the Hon. Don Farrell stated, “The UAE is a gateway to the region and beyond, with two-way goods and services trade valued at $9.26 billion in 2022. The UAE is already a key market for Australian goods and services exports including alumina, meat, oil seeds, and education, with three Australian universities having campuses in-country.”

“A trade agreement with the UAE would create new commercially meaningful opportunities for Australian goods and services exporters seeking to diversify trade. It will also offer the opportunity to deepen our cooperation in our shared ambition to transition to net-zero, through greater investment.”

Markets

Benchmark Mineral intelligence recently advised, “Prices for all cells have reached an all-time low as raw materials prices continue to decline. LFP has seen the biggest climbdown so far this year, now at less than $60 per kilowatt hours (kWh) or 14% lower than NCM. On top of lower input costs, R&D-led battery spec improvements have also helped cut per-kWh prices.”

“Chinese lithium hydroxide prices fell for the fifth straight month in October 2024 as an increasing preference for lithium, iron, phosphate (LFP) cathode materials over high-nickel, cobalt, and manganese (NCM) chemistries pushed prices lower. Spot prices for Chinese lithium hydroxide have fallen 30.6% since early May this year to RMB 68,500 (US$9,650) per tonne.”

Shanghai Metals Market (SMM) recently advised that “some lithium chemical smelters are expected to shift from lithium hydroxide to lithium carbonate production. Non-integrated lepidolite smelters remain cautious about production given bearish forecasts for lithium carbonate. With limited supply, demand for lepidolite remains strong.”

Lepidico’s planned lepidolite concentrate production from Karibib, averaging 3% Li_2O for the first 7 years is attractive to Chinese converters given the 1.5-2.5% Li_2O concentrate range (averaging 1.8%) currently produced in China.

Despite current softness in the lithium chemical market the New Energy Vehicle (NEV) market continues to grow.

According to research firm Rho Motion “sales of fully electric and plug-in hybrid vehicles in September went up by a whopping 30.5%. In September 1.7 million BEVs and PHEVs were sold around the world and increase of 30.5% year-over-year and 150,000 more units compared to the previous records set in December 2023. From January to September, there were 11.5 million EVs and PHEVs sold globally, up 22% on the same period last year.

The biggest player by far is China, with an astonishing 7.2 million so-called NEVs sold from the beginning of the year, an increase of 35% from last year. NEVs include battery electric vehicles (EVs), plug-in hybrid electric vehicles (PHEVs) and fuel-cell electric vehicles (FCEVs).

The United States and Canada recorded a 10% increase in year-to-date sales, reaching a combined 1.3 million units, followed by Europe, where 2.2 million EVs and PHEVs were sold between January and September.

That said, sales of electrified vehicles in the European Union, United Kingdom and countries of the European Free Trade Association went down 4% in the first nine months of the year compared to 2023. However, things are slowly getting back on track, with a 4% increase in September. All-electric vehicles saw a healthy year-on-year increase of 12% last month, while plug-in hybrid vehicle sales went down 12%."

Business Development & Licensing

Cornish Lithium and Strategic Metallurgy

In September 2024, the Trelavour Hard Rock Project in Cornwall, which will employ Lepidico's proprietary hydrometallurgical lithium processing technologies – L-Max® and LOH-Max® – under licence, was designated as a Nationally Significant Infrastructure Project ("NSIP") by the Secretary of State for Housing Communities and Local Government.

Commissioning of the integrated £9 million (A$17.7 million) concentrator and chemical conversion facility started mid-October 2024 (Figures 1 & 2). This operating complex comprises a flotation plant to produce a predominantly zinnwaldite and polylithionite concentrate, a hydrometallurgical facility that will produce battery-grade lithium hydroxide, that is based on Lepidico's process technologies and a visitors' centre. Cornish Lithium selected Lepidico's technology suite based on its low carbon emissions, environmental benefits and its ability to deliver superior product quality from lithium-bearing mica concentrates, which includes potentially valuable by-products. Whilst still a lithium mica deposit, the Trelavour project is predominantly zinnwaldite and polylithionite mineralisation, whereas Lepidico's Karibib deposits are lepidolite/lithian muscovite dominant. This demonstrates the flexibility of the Company's processing technologies across the breadth of lithium mica mineral species.

At the time of writing, concentrate production had commenced from a bulk sample taken from the Trelavour open pit and wet commissioning of the hydrometallurgical plant had started, with three members of Strategic Metallurgy staff contracted to provide support. Production is planned for throughout the latter part of the year and into 2025, operating for 3,600 hours across 15 separate continuous campaigns at a design rate of 15kg/hr of mica concentrate feed. The facility includes an onsite 'state of the art' laboratory to confirm the efficacy and efficiency of the plant.

By way of background, Lepidico granted Cornish Lithium an exclusive technology licence in 2020 for an upfront payment of C$4.0 million (£2.3 million) to process feedstock sourced from the St Austell granite region, an area of approximately 93 km^2. The technologies include the proprietary L-Max®, LOH-Max® and caesium-rubidium manufacturing processes.

Figure 1: concentrator and filtration circuits, courtesy of Cornish Lithium


Figure 2: L-Max® leach and impurity removal circuits, courtesy of Cornish Lithium

University sponsored product development

A body of work is being undertaken by the University of Bath in the UK, using facilities at Oxford University to evaluate potential energy savings for a variety of existing industrial processes by using mixed caesium-rubidium compounds. Initial results have proved encouraging, supporting the use of rubidium as a partial substitute for caesium in certain applications.

SPV – Lepidico Strategic Chemicals Manufacturing LLC-OPC

The special purpose vehicle, Lepidico Strategic Chemicals Manufacturing LLC-OPC, was established in May for a collaboration in the UAE on domestic in-ground lithium opportunities. Samples of three different styles of mineralisation have been received by Strategic Metallurgy for L-Max® amenability testing. Testing is pending authorisation from the organisation that is commissioning the work.

EXPLORATION & RESOURCE DEVELOPMENT

Karibib Project (80%)

Lepidico is pursuing a strategy of maximising the value of its exploration properties by implementing programs targeted at a range of metals for which the Namibian tenements are prospective, including lithium, caesium, rubidium, tantalum, gold, copper and tungsten. Work programs span a range of activities, from regional exploration assessing conceptual targets to Mineral Resource development. The near-term objectives of this work are to extend the operating life of the Karibib Project to over 20 years, expand the Resource base to support an expansion of Karibib to 120,000t per year of concentrate and evaluate the Karibib licences for their gold potential.

Lepidico's application for renewal of EPL5439 was granted in late October 2024 by the Ministry of Mines and Energy for a further 2 years from 9 June 2024.

In the time EPL5439 has been held by Lepidico Chemicals Namibia (LCN), LCN has identified multiple lithium and gold targets within the 165km^2 exploration area, with the Berger's lepidolite prospect now ready for drilling. Renewal of the licence is seen as acknowledgment of the encouraging exploration results generated by the LCN Geology Team and its technical expertise.

The Berger's prospect is defined by historical open pit workings, approximately 20 m x 10 m, which expose a lepidolite-bearing pegmatite that exhibits similarities to the Helikon mineralisation. The pegmatite was originally prospected for tourmaline, not its lithium mineral potential. Berger's is one of a number of historical workings observed over a 1.5 km strike length developed on a series of stacked pegmatites, 1 m - 10 m thick. The entire zone shows strong fractionation indicative of LCT-type lithium mineralisation. Initial orientation drilling is planned at Berger's ahead of scout drilling of the rest of the prospective zone.

In parallel with the EPL renewal process, Lepidico has been negotiating a further land access agreement with a local stakeholder to allow drilling of the Berger's pegmatite.

Access to the Berger's target is via a public road that bisects two private farms. One of these farms has a locked gate across the road that prevents access. In September 2024, the High Court in Namibia ruled in favour of LCN to allow public access to the road (see Corporate Section below). LCN is now engaging with the relevant Authorities to have the decision of the Court upheld.

Exploration activities during the quarter were limited to regional and reconnaissance work within ML204 and EPL5349. Exploration will scale up once ground access is secured and subject to funding.

The Karibib Camp remains on care and maintenance with a downsized staff complement largely working from home.

CORPORATE

Cash & Facilities

At 30 September 2024, the Company held $2.7 million in cash and cash equivalents.

During the quarter, the Company implemented further cash saving measures including termination of employees in Namibia and encouraging remaining staff to take Annual Leave to reduce the Company's liabilities. The Karibib camp remains on "care and maintenance".

In July 2024, Mr Hans Daniels, GM Operations - UAE resigned effective from 30 August 2024. Mr Daniels' responsibilities have been re-distributed to other key members of Lepidico Group within and outside the UAE, while the Company focuses on securing project finance.

Legal

Arbitration with Jinhui Lithium Co., Ltd

On 31 May 2023, Jiangxi Jinhui Lithium Co., Ltd (Jinhui), a private Chinese corporation filed a Notice of Arbitration under the Arbitration Rules of the Singapore International Arbitration Centre (Notice).

The Notice is in connection with the offtake agreement between Desert Lion Energy (Pty) Ltd (subsequently renamed Lepidico Chemicals Namibia (Pty) Ltd) and Jinhui dated 6 November 2017 and later amended on 13 February 2018, which (under Ontario law) provided for the sale of material located in the stockpile at the Karibib project in Namibia and expired on 16 November 2022 (the Offtake Agreement).

In accordance with the Arbitration Rules of the Singapore International Arbitration Centre (SIAC), the panel of three arbitrators, being each party's nominated arbitrator and the third independent arbitrator has been completed and the arbitration timetable set.

LCN received Jinhui's Statement of Claim (SOC) on 4 December 2023. The SOC includes a claim for US$5.0 million which comprises the unamortised deposit paid under the Offtake Agreement, plus expenses related to the dispute.

LCN filed its Statement of Defence and Counterclaim (SODCC) on 15 January 2024 and has submitted a counterclaim, which is well in excess of the claim included in Jinhui's SOC.

LCN received the Statement of Reply and Defence to Counterclaim on 8 February 2024 and on 18 March 2024, LCN filed its Statement of Rejoinder and Report to Defence to Counterclaim.

On 8 July 2024, the parties exchanged documents as per the arbitrators' instructions.

Witness statements were exchanged on 19 August 2024, in accordance with the arbitration timetable. Lepidico's witness statements provide a coherent and compelling narrative that is consistent with Ontario law. Responses to witness statements were exchanged on 23 September 2024.

The arbitration hearing has been provisionally set for early November 2024.

The Company believes that the arbitration brought against it is without merit. The Company continues to work with Canadian and Namibian litigation counsel to vigorously defend itself and seek reparation for expenditures that are not recoverable.

Public Road Access (Namibia)

On 18 September, the Company was advised that the High Court of Namibia ruled in favour of the Applicant, Lepidico Chemicals Namibia (Pty) Ltd, granting access to Public Road FR 1965.

LCN filed a motion with the High Court in Namibia against Ombujomenge Close Corporation (OCC) for hindering and/or preventing traffic on a section of Public Road FR1965. Lepidico needs to be able to use the Public Road to access its exploration tenement and undertake exploration work on a neighbouring property.

The Respondents referred to by the Court are OCC and three individuals associated with OCC.

The Court Order states that:

1. The 1st, 2nd, 3rd, and 4th Respondents are hereby interdicted and/or restrained from hindering or restricting the access of the Applicant and its employees to Public Road FR 1965 in any way whatsoever, including but not limited to interdicting the Respondents from operating and closing a gate or gates at the commencement or within Farm Ombujomenge No. 39 A and portions of the farm as more set in the title deed (LC) on FR 1965.

2. The respondents are to pay the applicant's costs of suit jointly and severally, the one paying and the other to be absolved.

3. The matter is removed from the roll: Case Finalised.

Resolution of this matter allows the Company to engage with the authorities to ensure road access and also finalise negotiation of a new exploration field work agreement including work dates with a neighbouring farm on which priority drill ready lepidolite targets are located.

Patents and Trademarks

The Company holds granted patents for its L-Max® technology in the United States, Canada, Europe, Japan and Australia. The Company also has patents granted for its process technology for lithium recovery from phosphate minerals (amblygonite) from the United States, Canada, Europe, Japan and Australia.

The Company holds granted patents for the Company's LOH-Max® process in Japan, Canada and ARIPO (African Regional Intellectual Property Organization). The national and regional phase of the patent application for LOH-Max® is progressing in the remaining jurisdictions under PCT/AU2020/050090.

The Company holds Australian patents for the Company's S-Max® process for Improved Mica Processing under 2019262080 and Processing of Silicate Minerals under 2019262079. The S-Max® process is a low-cost way of producing marketable amorphous silica when combined with L-Max®.

The national and regional phase of the patent application for the lithium carbonate recovery process from a raw lithium hydroxide material is progressing under the Patent Cooperation Treaty (PCT) and was allotted the number PCT/AU2022/050297. The patent process is expected to continue into 2025.

The International PCT application for the preparation of Cs-Rb-K alkali salt solutions from lithium mica mineral source material under the PCT number PCT/AU2022/051154 is progressing though the national and regional phase. The refining process has application in tailoring ternary materials for industrial catalyst applications and the patent process is expected to continue into 2025.

Exploration and Resources

Compliance Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Tom Dukovcic, who is an employee of the Company and a member of the Australian Institute of Geoscientists and who has sufficient experience relevant to the styles of mineralisation and the types of deposit under consideration, and to the activity that has been undertaken, to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves." Mr Dukovcic consents to the inclusion in this report of information compiled by him in the form and context in which it appears.

Previously Reported Results

Reference in this report is made to the Company's ASX announcements dated 22 November 2022 ("Phase 1 Economics Updated & Improved"), 30 January 2023 ("Helikon 4 & Rubicon Stockpiles Upgrade to Mineral Resources"), 7 March 2023 ("Replacement Announcement – Helikon 4 Ore Reserve") and 30 October 2023 ("Phase 1 Project Economics Updated Operating Costs & Long-Term Margins Improved"). Other than as disclosed in those announcements, the Company confirms it is not aware of any new information or data that materially affect the information in those announcements.

Forward-looking Statements

All statements other than statements of historical fact included in this release including, without limitation, statements regarding future plans and objectives of Lepidico, are forward-looking statements. Forward-looking statements can be identified by words such as "anticipate", "believe", "could", "estimate", "expect", "future", "intend", "may", "opportunity", "plan", "potential", "project", "seek", "will" and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, its directors and management of Lepidico that could cause Lepidico's actual results to differ materially from the results expressed or anticipated in these statements.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this release will actually occur and investors are cautioned not to place any reliance on these forward-looking statements. Lepidico does not undertake to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this release, except where required by applicable law and stock exchange listing requirements.

CORPORATE INFORMATION

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Gary Johnson (Non-Executive Chair)
Joe Walsh (Managing Director)
Mark Rodda (Non-Executive Director)
Cynthia Thomas (Non-Executive Director)

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Key Management
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Stock Exchange Listings
Australian Securities Exchange (Ticker LPD)
Frankfurt Stock Exchange (Ticker AUB)

Issued Share Capital
As of 30 September 2024, issued capital was 8,589,124,884.
As of 31 October 2024, issued capital was 8,589,124,884.

Quarterly Share Price Activity

	High	Low	Close
July – September 2024	0.3c	0.1c	0.25c

Authorised for release by the Managing Director.

Further Information
For further information, please contact

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TENEMENT INFORMATION (Provided in accordance with ASX Listing Rule 5.3.3)

NAMIBIAN OPERATIONS, Karibib Project

Karibib Project Tenement Schedule

Tenement ID	Registered Holder	Lepidico Interest	Expiry Date	Area
ML 204	Lepidico Chemicals Namibia (Pty) Ltd	80%	18/06/2028	69 km^2
EPL 5439	Lepidico Chemicals Namibia (Pty) Ltd	80%	09/06/2026	165 km^2

PAYMENTS TO RELATED PARTIES OF THE ENTITY AND THEIR ASSOCIATES

Payments made during the quarter and included in Item 6.1 of Appendix 5B – Mining Exploration Entity Quarterly Cash Flow Report, comprise the following:

Item 6.1: Aggregate amount of payments to related parties and their associates included in cash flows from operating activities is $204,000:

	$’000
Remuneration	127
Directors Fees	73
Payments to Director-Related Entities (Development)	4
Total included in 6.1	**204**

Appendix 5B

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

Name of entity
Lepidico Ltd

ABN	Quarter ended ("current quarter")
99 008 894 442	30 September 2024

	Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
1.	**Cash flows from operating activities**			
1.1	Receipts from customers		-	-
1.2	Payments for			
	(a)	exploration & evaluation (expensed)	-	-
	(b)	development	(22)	(22)
	(c)	production	-	-
	(d)	staff costs	(632)	(632)
	(e)	administration and corporate costs	(322)	(322)
1.3	Dividends received (see note 3)		-	-
1.4	Interest received		28	28
1.5	Interest and other costs of finance paid		(5)	(5)
1.6	Income taxes paid		-	-
1.7	Government grants and tax incentives		-	-
1.8	Other (legal dispute)		(701)	(701)
1.9	**Net cash from / (used in) operating activities**		**(1,654)**	**(1,654)**

2.	**Cash flows from investing activities**			
2.1	Payments to acquire or for:			
	(a)	entities	-	-
	(b)	tenements	-	-
	(c)	property, plant and equipment	(1)	(1)
	(d)	exploration & evaluation (capitalised)	(279)	(279)
	(e)	investments	-	-
	(f)	other non-current assets (patents)	(10)	(10)

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other	-	-
2.6	**Net cash from / (used in) investing activities**	**(290)**	**(290)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(9)	(9)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**(9)**	**(9)**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	4,674	4,674
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,654)	(1,654)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(290)	(290)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(9)	(9)

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
4.5	Effect of movement in exchange rates on cash held	(49)	(49)
4.6	**Cash and cash equivalents at end of period**	**2,672**	**2,672**

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	2,672	4,674
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)**	**2,672**	**4,674**

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	204
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**Financing facilities** *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.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities		
7.2	Credit standby arrangements **	Up to 7,500	3,525
7.3	Other (Revolving Vehicle Financing Facility)	190	163
7.4	**Total financing facilities** **	Up to 7,690	3,688

7.5	**Unused financing facilities available at quarter end**	0 - 4,002

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.

** On 23 December 2019 the Company executed a Controlled Placement Agreement (CPA) with Acuity Capital to provide Lepidico with up to $7.5 million of standby equity capital to February 2022. Under the CPA Lepidico sets a floor price and the final issue price will be calculated as the greater of that floor price and a 10% discount to a Volume Weighted Average Price (VWAP) over a period nominated by Lepidico. As collateral for the CPA, Lepidico issued 230,000,000 ordinary shares from its LR7.1 capacity, at nil consideration to Acuity Capital ("Collateral Shares") but may, at any time, cancel the CPA and buy back the Collateral Shares for no consideration (subject to shareholder approval).

On 19 April 2021 the Company announced it had raised A$2,925,000 (after costs) through the set-off of 134,000,000 collateral shares (Set-off Shares) previously issued to Acuity Capital under the Controlled Placement Agreement (CPA) as announced on 23 December 2019.

On 10 October 2022 the Company announced it had raised A$600,000 (after costs) through the set-off of 23,100,000 Set-off Shares previously issued to Acuity Capital under the CPA.

The Set-Off Shares reduces the total collateral shares to 72,900,000 million, which Acuity Capital is otherwise required to return to the Company upon termination of the CPA. The unused facility reduced by $0.6 million following the capital raise and cash increased by $0.6 million.

On 26 January 2022 the Company agreed with Acuity Capital to extend the expiry date of its Controlled Placement Agreement ("CPA") to 31 January 2024. On 26 January 2024, the CPA was further extended to 31 January 2027.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,654)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(279)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,933)
8.4	Cash and cash equivalents at quarter end (item 4.6)	2,672
8.5	Unused finance facilities available at quarter end (item 7.5)	0 - 4,002
8.6	Total available funding (item 8.4 + item 8.5)	2,672 - 6,674

8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	3.5	incl. unused financing facilities
		1.4	excl. unused financing facilities

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.

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

Although the Company has positive relevant outgoings at Item 8.3 it provides the following information due to the nature of the cash from operating activities during the quarter.

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: The Company has incurred significant expenditures relating to the preparation for the arbitration hearing in relation to the dispute with Jinhui to be heard in early November. It is expected that the current level of net operating cash flows will decrease following the arbitration hearing. In addition, the Company has reduced its workforce effective from 1 October 2024 which will result in a decrease in employment costs.

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: Yes, as announced on 2 September 2024, the Company has engaged Jefferies International Limited (Jefferies) to act as the Company's exclusive financial advisor in connection with maximising the value of the Karibib Lithium Project, with potential to expand scope as strategically attractive. A wide breadth of deal structures may be considered, from securing a minority equity partner to an asset sale. The outreach is global and spans organisation types that include, but is not limited to, private corporations, state owned enterprises, investment funds and private equity. All transaction proposals will be assessed based on certainty, sustainability and for their ability to maximise value for shareholders.

Engagement by Lepidico and Jefferies is ongoing with multiple groups for both securing of finance and strategic partnership. Several indicative non-binding proposals for bridge financing have been received. Constructive engagement continues with other prospective partners with the objective of receiving alternative proposals in the near-term.

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: On the basis the Jefferies process is successful, the Company expects to be able to continue its operations and meet its business objectives.

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.

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: 31 October 2024...

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.