ASX: LPD

QUARTERLY ACTIVITIES REPORT

for the period ending 30 June 2024

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

Key Points

Development & Finance

- Main priority is to secure finance for the now-sub US$50 million mine and mineral concentrator in Namibia, initially with lepidolite concentrate supply to third-party converters
- Development Finance Corporation (DFC) continues to be the lender of choice for the Namibian project; legal due diligence can resume once an equity partner is secured
- Ongoing engagement with multiple groups for strategic involvement in the development of Karibib
- Phase 1 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
- UAE public sector involvement in the Abu Dhabi chemical plant continues to be sought, with support provided by Australian Government departments in parallel with the development of the Comprehensive Economic Partnership Agreement (CEPA) between the UAE & Australia, targeted for finalisation later in 2024
- Grant funding submission made for the sustainable production of critical minerals under the (US) Industrial Base Analysis and Sustainment (IBAS) Program, for the development of production capability in either the U.S., Canada or the U.K.
- Awaiting release by Australian customs of mineral samples for three different mineralisation types so L-Max® amenability test work can be undertaken on behalf of the Lepidico Strategic Chemicals Manufacturing LLC-OPC collaboration
- Construction of the £9 million Cornish Lithium concentrator and L-Max®/LOH-Max® conversion facility close to completion, with Strategic Metallurgy (SM) providing technical support

Products & Marketing

- Binding concentrate offtake agreement is in development with a US trading company
- Initiatives for further refining and development of caesium chemicals continue in collaboration with a leading global chemical company.
- World-leading research university evaluation of Rb and Rb applications is in progress

Corporate & Growth

- Cash and equivalents at 30 June 2024 of $4.7 million
- 1 for 4 renounceable rights issue with one free attaching option with every two new shares closed on 3 May 2024 and raised $2.8 million before costs
- Austerity measures have been implemented including placing the Karibib camp on care and maintenance, and reducing or suspending consultant and contractor engagement

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. The financing strategy for the vertically integrated Phase 1 Project has centred on core funding from the public sector for both the Karibib mine-concentrator and the downstream Abu Dhabi chemical plant, alongside private sector equity. Most recently, Lepidico is considering Karibib as a starter project, producing concentrate for supply to third-party converters ahead of a development of Lepidico's own chemical plant.

Namibia Mine & Concentrator

Securing finance for the now sub-US$50 million mine and mineral concentrator in Namibia is the main priority, with the U.S. Government's DFC continuing to be the lender of choice, as per the formal mandate letter of October 2020. Subsequently, extensive technical, environmental and social independent due diligence has been successfully undertaken by DFC. Positive feedback from DFC towards the Phase 1 Project continued to be received during the June 2024 quarter, which in part is understood to be associated with its unique attributes as a supplier of all three critical minerals, lithium, caesium and rubidium.

Marketing of lepidolite concentrate from Karibib by a U.S. trading company continues with a further Chinese lithium mica converter entering a confidentiality arrangement during the quarter, and technical data and ore samples have been provided for review.

A binding concentrate offtake agreement is under negotiation (see Product Marketing below) and represents a priority to provide strategic equity partners – that have undertaken considerable due diligence – with the necessary confidence to make a commitment.

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. This staged development strategy can now be advanced with greater confidence, following the U.S. Government providing the "FINAL Interpretive Guidance on Foreign Entities of Concern", effective 6 May 2024.

Identification of a strategic partner that is not a Foreign Entity of Concern (FEOC) is required for DFC to restart and complete legal due diligence. Lepidico will also ensure that key development contracts are not with an FEOC.

Abu Dhabi Chemical Plant & Australia-UAE CEPA

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 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, with support provided by Australian Government departments in parallel with the ongoing negotiation of a bilateral free trade agreement, the CEPA, between the two countries, which was announced in December 2023 and is targeted for finalisation later in 2024.

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.”

Lepidico is proposing bilateral support via the CEPA for the Phase 1 chemical plant. Development of a production capability of lithium and other critical minerals in Abu Dhabi by an Australian company using Australian-developed technology that is far more sustainable than incumbent process techniques for the conversion of hard rock lithium mineral concentrates represents a compelling opportunity. However, more time is required for public sector discussions to advance sufficiently, which underpins Lepidico’s approach to prioritising the development of Karibib as a starter project.

Government Support

Government financial support is proving to be an essential component of blended finance packages for critical minerals project developments, evidenced by Department of Energy funding under the Inflation Reduction Act for some of the more advanced lithium projects in the U.S. and the U.K. Government’s investment in Cornish Lithium Plc, which is using Lepidico’s process technologies under licence for the local processing of concentrate from its Trelavour lithium mica project.

Most recently, Lepidico has made a preliminary submission for grant funding for the sustainable production of critical minerals under the (US) Industrial Base Analysis and Sustainment (IBAS) Program, for the development of production capability in either the U.S., Canada or the U.K.. This initiative is to optimise the manufacture of caesium (Cs) and rubidium (Rb) chemicals for key industrial applications in these markets. Both caesium and rubidium are defined as critical minerals by the USA with current supply available only from FEOC countries.

Markets

Benchmark Mineral Intelligence (BMI) recently advised, “As the world races to decarbonise, lithium to feed the rapidly growing battery industry is facing an impending supply crunch. This imbalance threatens to derail the battery industry as it enters the terawatt-hour era. BMI also stated, “Direct Lithium Extraction (DLE) technologies hold much promise, but hurdles remain before the unconventional becomes conventional.”

Alternative hard rock sources of lithium to spodumene, which includes lithium mica minerals represent a much-needed new source of lithium. Lithium micas are now conventional with over 40% of Chinese domestically sourced lithium chemicals being from micas. However, Shanghai Metals Market (SMM) recently wrote, “Concerns are growing within China on the sustainability of current practices for conversion of lepidolite” by roasting which generates large quantities of waste and effluent. Lepidico’s hydrometallurgical processes provide a far more sustainable alternative to roasting, with no solid process waste or effluent.

Since the beginning of 2024, there has been considerable debate across media platforms concerning the outlook for electric vehicle sales with a diversity of opinions being presented. Recently Macquarie Bank provided some useful insights and analysis, “Over the past year [EV] sales have again slowed, with sales in May “only” 19% above their level 12 months ago. However, the current deviation from trend remains within the range seen over the past decade, with growth slowdowns in 2017 and 2020 (COVID) followed by rapid rebounds. Europe accounted for much of the recent weakness, with little growth over the past year. However, rather than signalling a structural peak, the soft patch probably reflects a normalisation after the COVID stimulus surge as well as broad-based economic weakness (ICE car sales fell last year). Outside of Europe, EV sales growth remains robust, with the level of sales in May still in line with the decade long ~50% CAGR upward trend. We expect the EV share of total sales to continue to increase, as cheaper models appeal to the middle classes. However, given the much higher base, the pace of growth will likely slow significantly as EVs enter the mainstream.”

Product Marketing

New interest continues to be received from lithium mica converters in the relatively high-quality concentrate that can be produced from the Rubicon and Helikon deposits. The concentrate is estimated to grade between 2.5-3.5% Li_2O over the life of mine and over 3.0% Li_2O for at least the first 5 years of operation, significantly above what most operations in China can achieve and with relatively low levels of deleterious elements.

An additional Chinese lithium mica converter entered into a confidentiality arrangement during the quarter, with technical data and ore samples provided for review. And most recently another lepidolite converter has requested lepidolite samples for testing.

Lepidico is now working on a binding concentrate offtake agreement with the U.S. trading company that has been marketing Karibib material since April 2023 and conducted the tender process in September 2023. Unsolicited interest in Karibib concentrate along with finance has also been received from other trading companies.

Initiatives for further refining and development of caesium chemicals continue in collaboration with a leading chemical company.

A body of work has also started with a world-leading research university for the evaluation of rubidium, with the objective of supporting its use as a substitute for caesium in certain applications.

Business Development & Licensing

SPV – Lepidico Strategic Chemicals Manufacturing LLC-OPC

Associated with the establishment of Lepidico Strategic Chemicals Manufacturing LLC-OPC – a special purpose vehicle for collaboration in the UAE on lithium opportunities aside from the existing Phase 1 Project – samples of three different styles of mineralisation were dispatched in May to Strategic Metallurgy for L-Max® amenability testing. Due to the size of the samples they had to be diverted to Brisbane for routine gamma irradiation for bio-security purposes. Test work will start as soon as the samples are received.

Cornish Lithium and Strategic Metallurgy

A representative from Strategic Metallurgy (SM) has been contracted to Cornish Lithium Plc (Cornish Lithium) during the advanced stages of construction of its £9 million (A$17.7 million) facility to process lithium mica mineralisation from its Trelavour Project in Cornwall. This complex comprises a flotation plant to produce a predominantly zinnwaldite and polylithionite concentrate, a hydrometallurgical facility that will produce battery-grade lithium hydroxide using, under licence, Lepidico's L Max® and LOH Max® technologies and a visitors' centre. Cornish Lithium selected the technology based on its exceptionally low carbon emissions, environmental benefits and its ability to deliver superior product quality from lithium-bearing mica concentrates, which includes 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, which demonstrates the flexibility of the Company's processing technologies across the breadth of lithium mica mineral species.

Bulk samples have been mined, with concentration scheduled for August 2024. Commissioning of the hydrometallurgical plant is now expected to start in September 2024, with three SM 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 £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.

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 Phase 1 Project to over 20 years, expand the Resource base to support the Phase 2 Scoping Study and evaluate the Karibib licences for their gold potential.

Exploration activities during the quarter were limited to regional and reconnaissance work within ML204 and EPL5349, due to road access still being blocked to a priority drill target. In the March 2024 quarter Lepidico Chemicals Namibia filed a motion with the High Court in Namibia against a local property owner for a locked gate that denies access to a public road. Hearing of the case has proved to be an iterative process that has resulted in multiple delays. Exploration will resume 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 June 2024, the Company held $4.7 million in cash and cash equivalents.

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

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

Entitlement Offer

The Renounceable Entitlements Offer announced on 4 April 2024 (the "Offer") closed raising $2,852,438 (before costs).

The Company issued 950,812,527 new fully paid ordinary shares ("Shares") and 475,406,263 new options exercisable at $0.009, with an expiry date of 7 November 2026 ("Options"). The Options are quoted under the ASX code LPDOE.

The net proceeds, along with the Company's existing cash reserves, will be allocated to finalising Phase 1 Project financing, including strategic partner and lender due diligence, and advance business development opportunities for collaborations on previously unidentified, potential large scale lithium mica deposit evaluations, and working capital.

Mahe Capital Pty Ltd acted as Lead Manager and Underwriter to the rights issue. The Directors and the Lead Manager reserve the right to place any shortfall shares at their discretion within 3 months of the closing date. The Company is working actively with Mahe Capital to place the remaining shortfall of $2.9 million by 2 August 2024.

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 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 for both Lepidico's defence and counterclaim have been drafted, and provide a coherent and compelling narrative that is consistent with Ontario law. Witness statements and expert reports are due to be exchanged by 19 August 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 has retained Canadian and Namibian litigation counsel to vigorously defend itself.

Public Road Access (Namibia)

Lepidico Chemicals Namibia (Pty) Ltd (LCN) has filed a motion with the High Court in Namibia against Ombujomenge Close Corporation for hindering and/or restricting the access of the LCN to Public Road FR1965.

LCN needs to access the Public Road to be able to reach its exploration tenement and to undertake exploration work on a neighbouring property.

The matter was finally heard by the court on 26 July 2024 with a ruling expected on or before 16 August 2024.

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.

During the quarter, the Company was granted 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 during 2024.

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 during 2024.

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

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

Key Management
Benedicta Uris (GM Sustainability & Country Affairs)
Timo Ipangelwa (GM Operations – Namibia)
Hans Daniels (GM Operations – UAE)
Roland Wells (Project Director)
Tom Dukovcic (GM Geology)
David Hall (GM Marketing & Investor Relations)
Shontel Norgate (CFO & Joint Company Secretary)
Alex Neuling (Joint Company Secretary)

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

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Issued Share Capital
As of 30 June 2024, issued capital was 8,589,119,384.
As of 31 July 2024, issued capital was 8,589,124,884.

Quarterly Share Price Activity

	High	Low	Close
April – June 2024	0.5225c	0.2c	0.3c

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%	09/06/2024[1]	165 km^2

[1] Application for renewal lodged on 8 March 2024

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 $206,000:

	$'000
Remuneration	129
Directors Fees	72
Payments to Director-Related Entities (Development)	5
Total included in 6.1	**206**

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 June 2024

	Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
1.	**Cash flows from operating activities**			
1.1	Receipts from customers		-	-
1.2	Payments for			
	(a)	exploration & evaluation (expensed)	-	-
	(b)	development	(20)	(674)
	(c)	production	-	-
	(d)	staff costs	(654)	(2,864)
	(e)	administration and corporate costs	(142)	(2,358)
1.3	Dividends received (see note 3)		-	-
1.4	Interest received		26	183
1.5	Interest and other costs of finance paid		(5)	(21)
1.6	Income taxes paid		-	-
1.7	Government grants and tax incentives		-	136
1.8	Other (legal dispute)		(50)	(654)
1.9	**Net cash from / (used in) operating activities**		**(845)**	**(6,252)**

2.	**Cash flows from investing activities**			
2.1	Payments to acquire or for:			
	(a)	entities	-	-
	(b)	tenements	-	-
	(c)	property, plant and equipment	(5)	(76)
	(d)	exploration & evaluation (capitalised)	(338)	(2,122)
	(e)	investments	-	-
	(f)	other non-current assets (patents)	(41)	(155)

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	24
	(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**	**(384)**	**(2,329)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,852	2,852
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	(428)	(428)
3.5	Proceeds from borrowings	-	53
3.6	Repayment of borrowings	(10)	(42)
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**	**2,414**	**2,435**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	3,454	10,829
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(845)	(6,252)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(384)	(2,329)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,414	2,435

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
4.5	Effect of movement in exchange rates on cash held	35	(9)
4.6	**Cash and cash equivalents at end of period**	**4,674**	**4,674**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	4,674	3,454
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**4,674**	**3,454**

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	206
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	171
7.4	**Total financing facilities ****	Up to 7,690	3,696

7.5	**Unused financing facilities available at quarter end**	Up to 3,994
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)	(845)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(338)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,183)
8.4	Cash and cash equivalents at quarter end (item 4.6)	4,674
8.5	Unused finance facilities available at quarter end (item 7.5)	Up to 3,994
8.6	Total available funding (item 8.4 + item 8.5)	8,668

8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	7.3
	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: N/A

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: N/A

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: N/A

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 July 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.