30 October 2020

Lithium Australia quarterly activities report – September 2020

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Lithium Australia NL (ASX: LIT, 'Lithium Australia' or 'the Company') is pleased to provide the following update on its business activities for the quarter.

HIGHLIGHTS

- An $8.5 million capital-raising through private placement and shareholder purchase plan ('SPP').
- Convertible note repaid and no debt.
- As at 30 Sept 2020, cash reserves were $9.2 million.
- Battery recycling subsidiary Envirostream Australia Pty Ltd ('Envirostream' – 90% Company-owned) processed 80 tonnes of lithium-ion batteries ('LIBs').
- The ACCC authorised the Battery Stewardship Council to establish and operate a national stewardship scheme for managing end-of-life batteries, which scheme is likely to significantly increase both Envirostream's volumes and margins.
- Envirostream signed electric vehicle ('EV') battery recycling agreements with two suppliers.
- Company battery cathode subsidiary VSPC Ltd ('VSPC' – 100% Company-owned) produced high-quality lithium-ferro-phosphate ('LFP') battery material.
- Company battery sales subsidiary Soluna Australia Pty Ltd ('Soluna Australia' – 50% Company-owned) received Clean Energy Council ('CEC') approval for its three-phase energy-storage systems ('ESS') and commenced installations and sales.
- The Company's battery chemicals division completed stage 1 of the LieNA® Co-operative Research Centres Project.
- The Company's lithium phosphate ('LP') recovery patent application was deemed to be novel, to involve an inventive step and to be applicable to industry.
- Further studies undertaken on the Company's Coates nickel/platinum group elements project.
- The Company commenced a gold joint venture with Okapi Resources Ltd over its Lake Johnston project.

Corporate

Overview

Lithium Australia is a leader in battery-material processing technologies. Its proprietary LieNA® and SiLeach® processes are designed to recover lithium from primary ore and waste materials. Company subsidiary Envirostream recycles spent batteries of all types and extracts the energy metals from spent LIBs. Ultimately, Company subsidiary VSPC uses the lithium derived from each of these sources (as LP) to produce advanced cathode powders for the creation of new LFP LIBs. Meanwhile, Company subsidiary

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Soluna Australia Pty Ltd achieved product certification and commenced sales of energy storage systems ('ESS') for the storage of renewable energy. When spent, the batteries from those ESS will be recycled by Envirostream.

Designed to dovetail, the Company's technologies minimise the number of steps required in lithium's journey from mining through to battery production and the re-birthing of LIBs.

Capital raising

During the quarter the Company completed an $8.5 million capital-raising through a placement and shareholder purchase plan and is now concentrating its efforts on near-term cashflow projects. Due to it raising more funds than expected, the Company paid out its convertible note. As at 30 September 2020, cash reserves were $9.2 million and the Company had no debt (30 June 2020: cash reserves $3.7 million, debt $2.35 million).

Forward-looking statements

This document contains forward-looking statements. Forward-looking statements are necessarily based on a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies, involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements, and may include, among other things, statements regarding targets, estimates and assumptions in respect of commodity prices, operating costs and results, capital expenditures, ore reserves and mineral resources and anticipated grades and recovery rates and are, or may be, based on assumptions and estimates related to future technical, economic, market, political, social and other conditions.

The Company disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise. The words 'believe', 'expect', 'anticipate', 'indicate', 'contemplate', 'target', 'plan', 'intends', 'continue', 'budget', 'estimate', 'may', 'will', 'schedule' and other, similar expressions identify forward-looking statements. All forward-looking statements made in this presentation are qualified by the foregoing cautionary statements. Investors are cautioned that forward-looking statements are not guarantees of future performance and, accordingly, investors are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein.

Many known and unknown factors could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements. Such factors include, but are not limited to: competition; mineral prices; ability to meet additional funding requirements; exploration, development, operating and sales risks; uninsurable risks; uncertainties inherent in ore reserve and resource estimates; dependence on third-party smelting facilities; factors associated with foreign operations and related regulatory risks; environmental regulation and liability; currency risks; effects of inflation on results of operations; factors relating to title to properties; native title and Aboriginal heritage issues; dependence on key personnel,

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and share-price volatility. They also include unanticipated and unusual events, many of which it is beyond the Company's ability to control or predict.

Recycling

Envirostream Australia

Envirostream is the Australian leader in battery recycling, providing sustainable solutions for the disposal of spent batteries and the 'rebirthing' of the energy metals in spent LIBs.

Envirostream's plant in Melbourne, Australia is the only commercial facility in the Australia capable of recycling all types of spent batteries to produce a range of materials, including mixed metal dust ('MMD'). Comprising the 'active' compounds recovered from spent LIBs, including critical battery materials such as cobalt, nickel, lithium and manganese, MMD can provide a sustainable feed source for the manufacture of new batteries.

Envirostream's plant achieved its designed processing throughput in the June 2020 quarter, during which the amount of batteries collected totalled 130 tonnes and some 80 tonnes of LIBs were processed.

Envirostream made no shipments of MMD during the quarter (in the June 2020 quarter 25 tonnes were dispatched) but finished the quarter with 23 tonnes of MMD inventory, most of which was shipped in October.

Quarterly operations were impacted by the COVID-19 restrictions in place in Melbourne, which affected battery collection and processing, as well as staffing levels. A blanket lock-down and severe restrictions on movement were imposed but will ease in October 2020, reducing the impact on operations.

Commissioning of Envirostream's copper, aluminium and plastic separation circuit is ongoing, progress having also been impeded by COVID-19 supply chain disruptions and the restricted movement of service personnel. That said, first sales of recycled copper and aluminium commenced in October.

Battery Stewardship Council

In September, the ACCC authorised the Battery Stewardship Council to establish and operate a national stewardship scheme ('the Scheme') for managing end-of-life batteries. The intent is to commoditise spent batteries by placing a levy on new batteries at the point of sale, which will supplement the cost of subsequent collection and recycling. Implementation of the Scheme should significantly increase the volume of spent batteries available for Envirostream to recycle, as well as significantly increasing margins on its collection and recycling operations.

Battery recycling agreements

Envirostream successfully conducted a series of recycling trials on six different types of EV battery packs at its Melbourne plant. The trials, all of which were conducted without incident, were intended to document the complete process of EV battery recycling, from transport, handling and discharge through to disassembly and materials recovery. Envirostream's report on the trials, which included details of safety procedures, transport

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and environmental assessments, illustrated that it can process these spent battery packs safely, effectively, cost-efficiently and sustainably, thereby providing an effective and environmentally responsible solution to their disposal going forward.

Under the terms of its battery recycling agreements with the two suppliers, Envirostream will be responsible for the transport of these battery packs to its premises, as well as protection of intellectual property ('IP'), the discharge of any residual battery energy and pack disassembly and recycling. The battery packs are expected to originate from capital cities around Australia, as well as south-east Asia.

By virtue of these agreements, Envirostream will become a first mover in the recycling of spent EV battery packs in Australia, representing a major growth segment for it in coming years.

Micronutrient trials

Fertiliser additives also factor into Envirostream's growth plans, with zinc and manganese from recycled alkaline batteries being trialled as micronutrients in blended fertilisers. The micronutrient wheat-seeding trial is being conducted near Kojonup, about 260 kilometres ('km') southeast of Perth, the capital of Western Australia.

Plant sampling – to track micronutrient performance between treatments and between plots at the trial site – was completed at the end of August. The image below shows the condition of one of the germinated plots: the wheat on the right-hand side received fertiliser containing Envirostream's micronutrient treatment, while the crop on the left-hand side was fertilised using a similar but commercially available product.



Figure 1 – Envirostream's micronutrient wheat-seeding trial.

Recovery of cathode materials

The Company has filed a provisional Australian Provisional Patent Application 2020902848, entitled 'Process for recovering values from batteries', which relates to processes for recovering electrode materials from LIBs, such as that comprising a cathode and/or anode material (MMD, for example).

Extraction of critical battery metals

The Company has filed a provisional patent application entitled 'Process for recovering metal values from process liquors' with the reference Australian Provisional Patent

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Application 2020902849. It relates to processes for the selective recovery of mixed-metal sulphates, such as a mixed cobalt-nickel sulphate, from metal sulphate process liquors, including those produced during the recycling of spent LIBs.

Safety, the environment and permitting

Envirostream's material recovery rate of +90% from spent LIBs is very high compared with overseas competitors, which incinerate the batteries as the first process step. Envirostream's low-temperature process avoids this, enabling the recovery of volatile components, including plastics and electrolytes. It is the recovery of these components that results in Envirostream's much higher mass yields and lower carbon emissions.

Last year Victoria banned disposal of spent batteries to landfill, since many contain noxious materials capable of polluting soil, groundwater and waterways. As the only recycler of mixed batteries in Australia, Envirostream is focused on diverting the maximum amount of toxic material from landfill, thereby improving the sustainability of the battery industry and creating a circular battery economy.

On 11 September 2020, due to expected growth in both its battery collection and recycling activities, Envirostream applied for an Environmental Protection Authority Victoria ('EPA Victoria') work permit for one of its Melbourne premises, in order to operate at above 500 tonnes per annum ('tpa') of specified waste. Currently, Envirostream is working closely with EPA Victoria to demonstrate industry best practice in its recycling processes, since granting of the expanded work permit in advance of that capacity is required. Meanwhile, Envirostream is operating at below the 500 tpa rate and is minimising stock levels of dangerous goods at its premises.

Envirostream continues its work on multiple industry-wide improvements, to ensure that its battery collection, storage and processing activities are conducted in a manner that mitigates the fire risks associated with battery collection, storage and recycling.

One of the most high-risk activities that can result in a fire is the incorrect storage of spent batteries, especially LIBs. While Envirostream cannot control the nature or packaging of materials supplied by third parties, it can mitigate any safety risks, including the risk of fire, and has implemented the following strategies in order to do so.

- An early-warning heat-detection system has been installed at Envirostream's recycling facility, with the site and the alarms monitored all day every day.
- Mixed battery types are now stored in plastic rather than steel containers, with spent LIBs processed as a priority to minimise inventories of dangerous goods.
- Envirostream adheres to the *Management and storage of combustible recyclable and waste material* information published by EPA Victoria to guide its storage of different battery types at its premises.
- Process equipment modifications include extra water-cooling points, and procedural changes to safe operating practices and additional operator training have also been implemented.
- Finally, Envirostream has sought advice from Fire Rescue Victoria and this is being actioned as a matter of priority.

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The main challenge for Envirostream is the fire risk associated with improper handling of different types of spent batteries at its collection points. Given the wide range of battery types available, and the confusion that can arise during their sorting and separation, Envirostream is conducting ongoing research and development with regard to fire-resistant spent-battery containers for use throughout its collection network.

Importantly, with Envirostream the only facility in Australia able to shred, process and efficiently recycle **all** types of spent batteries, and with LIBs now so intrinsic to everyday activities, it is imperative that Envirostream continue to evolve to effectively manage this burgeoning e-waste stream. To that end, Envirostream continues to add to its collection network and enhance its systems, the aim being not just to remain a first mover in recycling but also improve the battery industry as a whole, through its affiliation with the Australian Battery Recycling Initiative.

Envirostream will continue to work closely with all relevant regulatory bodies in ensuring that its management systems, as well as its safety and environmental procedures, surpass accepted industry standards, the aim being to mitigate any risk to local communities as a result of its operations. Envirostream's ethos is continuous improvement, to ensure that its battery recycling activities are not only safe and environmentally friendly but also sustainable.

In summary

Envirostream's revenues for FY21 are expected to grow significantly as a result of increased collection volumes, improving commodity prices, additional revenue streams from the recycling of copper and aluminium, and battery stewardship fees. In addition, Envirostream will continue to evaluate value-added applications for the zinc and manganese it recoversfrom spent alkaline batteries, with the procurement of offtake for such material also likely to enhance revenue streams.

Due to the expected increase in volume of spent batteries available for recycling, Envirostream is also identifying more storage, sorting and recycling sites nationally, as well as seeking to partner with recycling facilities in priority jurisdictions around the globe.

Batteries

Cathode materials

VSPC is an Australian leader in battery technology, having developed high-purity, high-performance cathode materials at its R&D facility in Brisbane, Queensland. There, its pilot plant includes advanced laboratory and battery-testing capabilities designed to further develop and utilise its proprietary nanotechnology.

VSPC's generation-4 LFP technology delivers a cathode powder tailored specifically for use in LFP LIBs. That cathode powder is superior in terms of sustainability and performance, due to its uniform, carbon-coated, nano-engineered particle morphology.

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Government funding

VSPC's research into processes for the utilisation of lower-cost raw materials in cathode powder synthesis was boosted by a co-funding grant from the AMGC (a not-for-profit organisation established by the federal government to support the development of world-leading advanced manufacturing in Australia).

Raw materials contribute more than two-thirds to the cost of producing LIB cathode materials, so VSPC's ability to utilise cheaper materials, including those derived from recycled batteries, provides an important competitive advantage.

Feedstock to be evaluated under the terms of the AMGC grant includes high-grade iron materials such as magnetite and LP derived from the recycling of batteries as well as other mineral sources via the Company's proprietary process technologies.

Stage 2 of the AMGC project was completed in the June 2020 quarter, with results announced on 3 August 2020. Low-cost raw-material options for the manufacture of LFP cathode material were evaluated using VSPC's proprietary reduced-cost (i.e. VSPC-RC) process (Figure 2). The LFP material produced was used to create battery cells for subsequent electrochemical testing, which revealed that the cells achieved capacities of up to 161 milliampere hours per gram at a 0.1C discharge rate, which is equivalent to or exceeds that of the best LFP cathode materials currently on the market.



Figure – LFP cathode material sourced from LieNA® LP.

VSPC achieved similar results with cathode material for test cells created from LP recovered during the application of Company processing technology to MMD derived from the recycling of spent LIBs by Envirostream.

A further 5-10% reduction in chemical costs was achieved by manufacturing iron oxalate (normally a major reagent cost) from base chemical reagents that included iron sulphate and iron oxide materials.

The optimised VSPC-RC process was applied to LP from several sources to produce LFP cathode materials. Those sources included:

- refined LP produced via the Company's proprietary SiLeach® process (details below);
- LP produced from fine spodumene using the Company's LieNA® process (details below), and
- refined LP produced using Envirostream MMD as feed.

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Importantly, the advanced LFP cathode material VSPC produced demonstrated excellent electrochemical performance (equivalent to or exceeding that of VSPC's standard LFP material) and the physical properties for electrode coating were excellent.

These results further support the cost-competitiveness of the VSPC-RC process, as well as its flexibility in terms of application to several lithium raw materials, including lithium carbonate, lithium hydroxide and LP. LP offers a direct, efficient route from both mineral and recycled sources to the production of LFP cathode material for the fastest growing sector of the LIB market.

Soluna Australia

During the September 2020 quarter, Soluna Australia reached another significant milestone in that the CEC, the nation's peak clean-energy body, approved the accreditation of its three-phase batter-based ESS. During the quarter Soluna Australia installed 8 residential battery units and had sales of $79,000. Soluna is currently working with its battery supplier to fast track its industrial battery ESS products.

Soluna Australia's Power Bank systems for residential applications comprise LIB storage, a hybrid inverter and an advanced battery management system. Technical details are available on the Soluna Australia website at https://soluna.com.au/. Only products included on CEC-approved lists are eligible to receive small-scale technology certificates under the Small-scale Renewable Energy Scheme and other government incentive programmes.

Interest in Soluna Australia's industrial and residential ESS has been strong and first sales and installation of its batteries for domestic use commenced in July 2020. Soluna Australia expects sales to grow strongly during the December 2020 quarter and the rest of the 20-21 financial year and the business unit to be cash-flow positive in the near term.

Chemicals

The greatest inefficiencies and waste in the battery supply chain occur during the production of lithium concentrates once the hard-rock resources have been mined. This will become more apparent as the lithium supply chain ramps up to meet future demand from the battery industry – and that demand will be fuelled by the proliferation of EVs.

Processing technologies

Lithium Australia has developed two potentially disruptive lithium processing technologies: SiLeach® for the processing of lithium micas and LieNA® for the recovery of lithium from fine and variable-grade spodumene. Both processes can produce a range of lithium chemicals; however, LP is the preferred option.

Both also, in combination with VSPC's patented nanotechnology, permit the production of battery cathode materials directly from LP recovered from silicate minerals or spent LIBs – without the need for an intermediate step to produce lithium hydroxide or carbonate. There is thus the potential to reduce the process steps required to produce cathode material for new LIBs.

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LieNA® is designed to provide a production pathway for lithium chemicals that is not constrained by the requirements of 'conventional' spodumene converters. At present, fine and/or variable-grade spodumene is discharged to either waste or tailings by producers seeking to achieve the high-grade offtake demanded by the mineral concentrate market. LieNA®, however, *can* recover lithium from this type of material, which amounts to most of the lithium 'lost' during spodumene concentrate production. The LieNA® process therefore presents a significant opportunity to increase ore reserves and improve resource utilisation without increasing mining costs.

LieNA® – the pathway to commercialisation

The Company is currently exploring commercialisation of LieNA® with a number of lithium concentrate producers. During the quarter, the Company completed stage 1 of the LieNA® Co-operative Research Centres Project, being bulk sample collection and concentration; the samples have been sent to ANSTO. The construction and operation of a LieNA® pilot plant is the next step towards commercialisation of the process.

LP-recovery patent application

Patent application PCT/AU2019/050540 details Lithium Australia's process for recovering LP from lithium-bearing solutions such as brine or pregnant process liquor. The application (and patent, if granted) protects the Company's LP process route, developed during test-work prior to completion of the SiLeach® pilot programme in August/September 2018; the unit process also has direct application to LieNA®.

Being in receipt of a clear report on patentability for the aforementioned application allows the Company to progress that application to national phase assessment in Australia and international jurisdictions.

IP recognition

Subsequent to the end of the quarter, the Company received a 'Notice of Allowance' from the United States Patent and Trademark Office for its SiLeach® patent application US 16/076,643 (filed August 2018). This is a clear vindication of the value of the Company's research programmes and the IP these generate.

Raw materials

Strategic alliance – Coates Mafic Intrusive Complex

Lithium Australia, Australian Vanadium Ltd (ASX: AVL) and Mercator hold contiguous tenements (collectively 'the Coates project'), totalling around 59 km^2, that cover the entire Coates Mafic Intrusive Complex in Western Australia. The Coates project lies about 29 km southwest of the recent Chalice Gold Mines Ltd nickel-copper-platinum group elements discovery at its Julimar project.

During the September quarter, modelling of available aeromagnetic data from the Coates project was completed, in order to determine the extent of proposed soil geochemistry and geological mapping programmes.

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Lake Johnston and Medcalf projects

These Company projects are located 470 km east of Perth, Western Australia. During the December 2020 quarter, in conjunction with joint-venture partner Okapi Resources Ltd (ASX: OKR) (see OKR release dated 3 September 2020), the joint venture will test lithium and gold targets within the Lake Johnston and Medcalf project areas.

Previously, the Company employed reconnaissance geological mapping and geochemical sampling there, resulting in the discovery of a spodumene pegmatite cluster at Tamar Hill near Lake Medcalf.

Competent person's statement – Australian exploration

The details in this report that relate to exploration strategy are based on information provided to and compiled by David Crook BSc GAICD, a member of The Australian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists.

Mr Crook, who provides the service of 'Manager – raw materials' to Lithium Australia, has sufficient experience relevant to the style of mineralisation and exploration processes under consideration 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 Crook consents to the inclusion in the report of the matters, based on the information made available to him, in the form and context in which they appear.

Authorised for release by the Board.

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About Lithium Australia NL

Lithium Australia aims to ensure an ethical and sustainable supply of energy metals to the battery industry (enhancing energy security in the process) by creating a circular battery economy. The recycling of old lithium-ion batteries to new is intrinsic to this plan. While rationalising its portfolio of lithium projects/alliances, the Company continues with R&D on its proprietary extraction processes for the conversion of *all* lithium silicates (including mine waste), and of unused fines from spodumene processing, to lithium chemicals. From those chemicals, Lithium Australia plans to produce advanced components for the battery industry globally, and for stationary energy storage systems within Australia. By uniting resources and innovation, the Company seeks to vertically integrate lithium extraction, processing and recycling.

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Appendix

Details of mining tenements as at quarter ended 30 September 2020

ASX Listing Rule 5.3.3

Australian projects

			Beneficial interest		
Tenement	**Location**	**Registered holder**	**Start**	**End**	**Notes**
E27/562	Gindalbie, WA	Metal Hawk Limited	100%	0%	1, 2
E45/4660	Pilbara, WA	Lithium Australia NL	100%	0%	99
E45/4766	Pilbara, WA	Lithium Australia NL	100%	0%	99
E63/1772	Lake Johnston, WA	Lefroy Exploration Limited	0%	0%	1
E63/1773	Lake Johnston, WA	Lefroy Exploration Limited	0%	0%	1
E63/1777	Lake Johnston, WA	Lithium Australia NL	100%	100%	1
E63/1805	Lake Johnston, WA	Lithium Australia NL	100%	100%	1,3
E63/1806	Lake Johnston, WA	Lithium Australia NL	100%	100%	1,3
E63/1807	Lake Johnston, WA	Lithium Australia NL	100%	0%	99
E63/1808	Lake Johnston, WA	Lithium Australia NL	100%	0%	99
E63/1809	Lake Johnston, WA	Lithium Australia NL	100%	100%	1, 3
E63/1866	Lake Johnston, WA	Lithium Australia NL	100%	100%	1, 3
E63/1903	Lake Johnston, WA	Lithium Australia NL	100%	100%	1, 3
E70/4790	Greenbushes, WA	Lithium Australia NL	100%	100%	
E70/5315	Greenbushes, WA	Venus Metals Corporation Limited	100%	0%	4
E70/5316	Greenbushes, WA	Venus Metals Corporation Limited	100%	0%	4
E70/5198	Wundowie, WA	Lithium Australia NL	100%	100%	
E74/0543	Ravensthorpe, WA	Lithium Australia NL	100%	100%	
P15/5574	Coolgardie, WA	Focus Minerals Limited	0%	100%	5
P15/5575	Coolgardie, WA	Focus Minerals Limited	0%	100%	5
P15/5739	Coolgardie, WA	Focus Minerals Limited	0%	100%	5
EL30897	Bynoe, NT	Lithium Australia NL	100%	100%	
EL6212	Kangaroo Is, SA	Lithium Australia NL	100%	100%	
EL6213	Kangaroo Is, SA	Lithium Australia NL	100%	0%	99
EPM26252	Cape York, QLD	Lithium Australia NL	100%	100%	
Notes					
1	Lithium Australia NL holds the lithium rights.				
2	Metal Hawk agreement completed 17 September 2020.				
3	JV agreement dated 3 September 2020 –Okapi may earn a 75% interest in tenements.				
4	Sale agreement dated 5 August 2020 – the Company holds a 1% royalty on all minerals.				
5	Acquisition agreement dates 16 September 2020 – Focus retains a royalty on all minerals.				
99	Tenement surrendered.				

International projects

Project	Location	Interest
Sadisdorf project, Saxony	Germany	100%
Eichigt project, Saxony	Germany	100%

Payments to related parties of the entity and their associates

Payments made during the quarter and included in items 6.1 and 6.2 of Appendix 5b – Mining exploration entity quarterly cash flow report, comprise the following.

6.1 Aggregate amount of payments to related parties and their associates included in cash flows from operating activities – $150,000.

This includes payments of directors' remuneration for services to the economic entity – $101,000, and payment to directors' associates for services provided to the economic entity – $49,000.

6.2 Aggregate amount of payments to related parties and their associates included in cash flows from investing activities – nil.

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Appendix 5B

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

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Name of entity	
Lithium Australia NL	
ABN	**Quarter ended ("current quarter")**
29 126 129 413	30 September 2020

	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	288	288
1.2	Payments for		
	(a) exploration & evaluation	(126)	(126)
	(b) development	(430)	(430)
	(c) production	(308)	(308)
	(d) staff costs	(374)	(374)
	(e) administration and corporate costs	(626)	(626)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	7	7
1.5	Interest and other costs of finance paid	(3)	(3)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	373	373
1.8	Other (Jobkeeper and cashflow boost)	422	422
1.9	**Net cash from / (used in) operating activities**	**(777)**	**(777)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(193)	(193)
	(d) exploration & evaluation	-	-
	(e) investments	(79)	(79)
	(f) other non-current assets	(97)	(97)

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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	(43)	(43)
2.4	Dividends received (see note 3)	-	-
2.5	Other (cash acquired from business combination)	-	-
2.6	**Net cash from / (used in) investing activities**	**(412)**	**(412)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	8,920	8,920
3.2	Proceeds from issue of convertible debt securities (repayment of convertible debt)	(1,900)	(1,900)
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(382)	(382)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(3)	(3)
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**	**6,635**	**6,635**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	3,740	3,740
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(777)	(777)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(412)	(412)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	6,635	6,635

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	(2)	(2)
4.6	**Cash and cash equivalents at end of period**	**9,184**	**9,184**

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	9,184	3,740
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)**	**9,184**	**3,740**

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	150
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	-	-
7.3	Other - LITCF's	6,430	-
7.4	**Total financing facilities**	6,430	-
7.5	**Unused financing facilities available at quarter end**		
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.		

7.3 A total of 128,861,041 LITCF ordinary partly paid shares paid to $0.0101 and unpaid $0.0499 and at 30 September 2020 which amounts to $6.43million if called.

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8.	Estimated cash available for future operating activities	$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(777)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(777)
8.4	Cash and cash equivalents at quarter end (item 4.6)	9,184
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	9,184
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	11

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:

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:

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:

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:

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: 30 October 2020

Authorised by: "By the Company Secretary"
(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

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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.

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