

28 October 2016

## QUARTERLY ACTIVITIES REPORT AND APPENDIX 5B FOR THE QUARTER ENDING 30 SEPTEMBER 2016

The Board of European Lithium Ltd (formerly Paynes Find Gold Limited) (ASX: **EUR**, FRA: PF8) (the **Company**) is pleased to present its activities report and Appendix 5B for the three months ending 30 September 2016.

### SUMMARY OF KEY UPDATES

- Acquisition of European Lithium AT (Investments) Ltd and its wholly owned Austrian subsidiaries, one of which is the ultimate holder of the Wolfsberg Lithium Project
- Completion of \$6.232m capital raising (before costs)
- Change of name and readmission to quotation on the ASX (new ticker code "EUR")
- Completion of data verification drilling at Wolfsberg Lithium Project
- Metallurgical Optimisation Program commenced at Wolfsberg Lithium Project

### CORPORATE MATTERS

On 9 September 2016, all conditions precedent to the acquisition of 100% of the issued capital of European Lithium AT (Investments) Ltd (Company number 1629395) (**EL AT**) (the **Acquisition**) were satisfied and the Company completed the Acquisition.

In accordance with the binding Term Sheet, the Company issued 187,500,000 fully paid ordinary shares (**Shares**) pro-rata to the shareholders of European Lithium Limited (Company number 1629378) (**ELL Shareholders**) by way of part consideration for the Acquisition.

Subject to the Company upgrading the JORC resource for the Wolfsberg Lithium Project in Austria to a minimum of 4,500,000 tonnes inferred resource at 1.3% Li<sub>2</sub>O and compliance with the Listing Rules, the Company will issue a further 62,500,000 Shares pro-rata to the ELL Shareholders.

On 9 September 2016, the Company completed a capital raising, with \$6.232m received before associated costs. The funds will be utilised to further develop the Wolfsberg Lithium Project, previously incurred project expenditure, transaction related costs and general working capital.

On 20 September 2016, the Company changed its name from Paynes Find Gold Limited to European Lithium Limited and was readmitted to quotation on the ASX with its shares now trading under the ASX ticker code "EUR".

During the quarter, David Holden resigned as Non-Executive Director and Tony Sage was appointed Non-Executive Chairman. Paul Lloyd resigned as Company Secretary/CFO and Amy Fink was appointed. Steve Kesler was appointed as CEO.

## **Appendix 5B Quarterly Report and Statement of Cash Flows**

The ASX Appendix 5B quarterly report is attached to and lodged with this report.

The Company's Appendix 5B Quarterly Report covers the 3 month period from 1 July to 30 September 2016. This includes the cashflows for the Company for the 3 months and the cashflows for the subsidiaries acquired from 9 September 2016 to 30 September 2016.

## **EXPLORATION AND DEVELOPMENT ACTIVITIES**

### **Wolfsberg Lithium Project**

#### ***Resource – Background & Current Exploration Program***

The previously declared measured, indicated and inferred resource for the Wolfsberg Lithium project was not compliant to JORC Code (2012). The original drill core obtained by Minerex (the discoverer of the resource) dating to the 1980's, no longer exists and original QA/QC protocols and primary data were not available to the Competent Person contributing to the Paynes Find Gold Limited relisting process and preparation of the prospectus. The previously declared measured resource was, therefore, declared for the prospectus as an inferred resource of 3.7million tonnes at 1.5% Li<sub>2</sub>O at a cut-off of 0.75% Li<sub>2</sub>O. The other resource categories were considered to be exploration targets.

The Company discovered that the original primary data had been archived with the Mining Authority in Vienna. This material was recovered, scanned and catalogued and is available for use in developing a new primary resource model for the project. However, the QA/QC protocols were not retrieved and there is no original drill core.

An independent Competent Person with considerable experience in lithium deposits and QA/QC protocols, Don Hains of HainsTech (Canada), was engaged to develop with Company personnel, including Dr Richard God (the Chief Geologist of Minerex for the original exploration undertaken) a comprehensive QA/QC protocol to be used for future exploration and a program to verify the original data. Original data by Minerex was derived from 17,000m of drilling from surface and underground and from channel sampling of the new face after every blast as tunnels were developed to follow the veins. The data verification program comprised drilling 7 twin holes from underground totalling 828m intersecting numerous pegmatite veins and taking channel samples along two tunnels following AHP (Amphibolite Hosted Pegmatite) veins and one following a MHP (Micaschist Hosted Pegmatite) vein. Vein distance sampled was 190m in total with 95 samples taken.

The drilling and channel sampling was undertaken by the Company from mid-July and was completed on 1 September 2016. The work was undertaken by the Austrian drilling contractor, Swietelsky, under the supervision of the Austrian geology consultant, Technisches Buro fur Geologie.

During the quarter, an exploration project office was established in Wolfsberg, Austria. This includes facilities for drill core and sample storage, photographic recording, SG determination and core cutting. Detailed logging of the drill core was completed and half core samples of the pegmatite intersections in 1m lengths have been sent together with the channel samples for

sample preparation and analysis at ALS (Ireland). Check assays are being undertaken at the laboratory of Dorfner Anzaplan ('Anzaplan') (Germany). In August the independent QP audited the application of the QA/QC protocols to ensure they were being followed.

Following completion of analyses, the data on intersections and Li<sub>2</sub>O grades will be compared to the original Minerex data. A data verification report and an upgraded JORC Code (2012) compliant measured, indicated and inferred resource will be prepared by early November 2016.

The interpretation of the geology by Dr Göd is that the pegmatite veins extend down dip to an unknown depth. One of the Minerex drill holes extended 450m down dip and intersected pegmatite veins at an elevation of 1250 masl. The other bore holes were shallower. In previous resource declarations this information was used to extrapolate the resource down dip. Under JORC Code (2012) this is not permitted and sampling is required to allow inclusion into resources.

The pegmatite veins explored by Minerex are on the northern limb of an anticline ("Zone 1"). It was the view of Dr Göd that the pegmatites were intruded into the host rocks and that the anticline was formed by a later folding event. In this case the presence of lithium bearing veins would be expected to continue into the southern limb of the anticline ("Zone 2"). In 2012, surface mapping identified many lithium bearing pegmatite boulders exposed on surface on the southern limb and limited drilling intersected lithium bearing pegmatite veins and proved the geological interpretation. This is illustrated in the following figure:

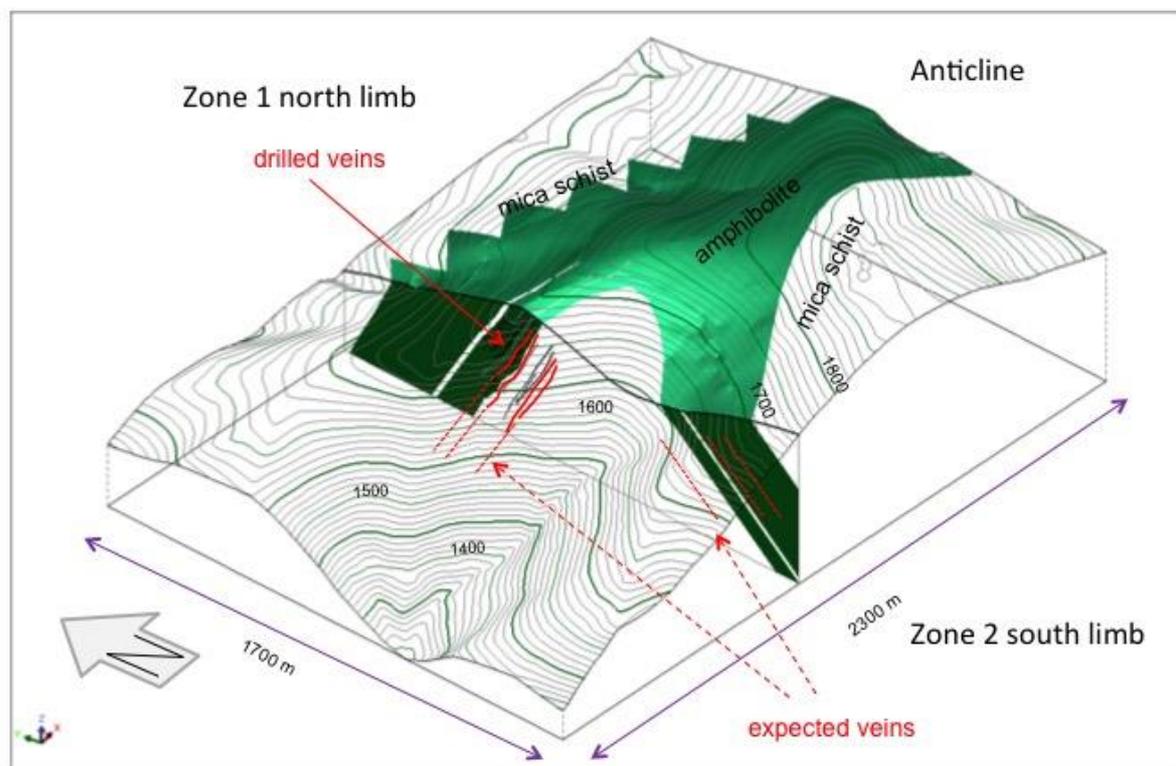


Figure: Lithium deposit Wolfsberg – area of investigation

A surface drilling program has been prepared to demonstrate the extension of the JORC Code (2012) resource down dip in Zone 1 and to begin investigation of the mineralisation in Zone 2.

This program was presented to the Mining Authority and a decree approving the work was issued on 22 September 2016. The exploration program includes:-

- 1) Drilling of four deep diamond holes in Zone 1 to an elevation of 1250 masl. The holes are between 340m and 500m in depth with 1,760m of total drilling. Holes deeper than 300m are considered as mining works under Austrian mining law and require a hearing of interested parties to approve. The hearing was held on 19 October 2016. In preparation a geohydrological study was conducted by the independent consultant, JR-AquaConSol, on the recommendation of the Mining Authority. This concluded that the drill holes would have no impact on surface water.
- 2) Drilling of nine holes in Zone 2 each between 150-250m in depth with 1,750m of total drilling.
- 3) Trenching of 300m to a depth of 3-4 m at the nose of the anticline to better understand the geology and transition from Zone 1 to Zone 2.

A contract to undertake this drilling work was issued to the Austrian drilling contractor, VA Erzberg. The drilling contractor and drilling rig for this work have been mobilised to site during October. The surface drilling and trenching program is scheduled to be completed in 16 weeks and the drilling contractor has confirmed that they are prepared for drilling in winter conditions. Once drilling is completed, assay results obtained and evaluated, an updated JORC resource statement will be declared and released to shareholders.

### **Metallurgy**

The Company has engaged Dorfner Anzaplan to undertake a metallurgical test work program to optimise the process design for its Wolfsberg lithium project. Dorfner Anzaplan is a leading consultant in the development of lithium and industrial mineral processes with laboratory and pilot plant facilities in Hirschau, Germany.

The historical owners of the Wolfsberg project, Austrian state company, Minerex, conducted extensive metallurgical studies in the 1980's by the Mineral Research Laboratory of the State University of North Carolina (**MRL**). This work concluded that a 6% Li<sub>2</sub>O spodumene concentrate could be obtained from the Wolfsberg pegmatites and marketable specifications of feldspar, quartz and mica could also be recovered such that 74% of the ore treated was saleable product. Unlike Western Australia or northern Quebec, there is a ready market in Central Europe for these industrial mineral by-products principally in the glass and ceramics industries. A robust process design was developed which comprised crushing, grinding, flotation and magnetic separation.

Since the original test work there have been a number of technological developments that could be applicable to the Wolfsberg deposit. In particular the use of sensor based/optical sorting to separate the dark waste rock from the light coloured pegmatite could minimise waste dilution in the ore feed to the concentrator and maximise lithium grade. Dense Media Separation (**DMS**) is another technology that could be applicable to the Wolfsberg deposit. A simple process of crushing, screening and DMS to obtain a spodumene concentrate would be a small and low capital cost facility. Such a concentrate could be marketed to the glass-ceramic producers in Europe that are currently importing spodumene concentrate from Australia and lithium carbonate from South America. If successful this would give the Company an opportunity to fast track limited production and cash flow whilst the rest of the mineral processing facilities were being constructed. These technologies will be early and key components of the Dorfner Anzaplan test work which will aim to optimise and simplify the

process design of MRL and recover spodumene concentrate and marketable by-products.

In 2013, as part of the process to confirm the mining licence, two 500 tonne underground bulk samples were mined from pegmatite veins in the two host rocks (amphibolite and mica schist). These bulk samples were stored for subsequent metallurgical test work. Representative 4 tonne samples from each host rock have been taken, shipped to and received by Dorfner Anzaplan.

A complete scope of work and contract had been agreed between the Company and Dorfner Anzaplan and the contract has been put into effect. Samples and specifications of the spodumene concentrate and by products will be introduced to potential off-takers.

After the process design to produce spodumene concentrate has been optimised Dorfner Anzaplan will operate a pilot plant to produce larger quantities of spodumene concentrate. This will be used for downstream testing of the conversion to lithium carbonate and lithium hydroxide for both technical and battery use. This program is scheduled to complete by the end of Q1 2017.

### **Paynes Find Gold Project**

Economic assessment of the project has continued to be a major focus this quarter as a response to both gold price improvements and a resurgence of interest in resource companies during the first half of this year. In the interests of moving the project forward the Company recognizes the importance of defining resources or resource potential, using that as a pre cursor to any further exploration work.

In this regard the technical group has completed a theoretical evaluation based upon the grade distribution within known drill holes and the drill hole spatial relationship and has broadly quantified and qualified an exploration target. Work continues on further refining the target and is now heading towards developing a forward work program with associated budget which is designed to move the exploration target towards a resource estimate that satisfies the JORC code.

This exploration target is between approximately 1.7 million and 1.9 million tonnes and a gold grade of between approximately 2.7g/t and 3.0g/t at the "stage 1" target area. This exploration target allows the Company to determine the cost benefit for future exploration and will guide future exploration expenditure but is not to be misconstrued as a mineral resource. The database upon which the estimate is based contained 247 drill holes comprising predominantly RC or percussion drilling with an additional 5 diamond drill cores. Drill spacing is on average 25 metres along section and average 25 metres between sections over an area measuring 800 by 300 metres, and to a nominal depth of 100 metres. No top cut or restriction has been placed upon any assay interval, all carry equal weighting. Specific gravity has been taken as standard for the rock type which host the vein system of 2.85g/cc and is supported by field measurements of SG completed this year on 6 core samples of varying depth.

Whilst historical drilling has been extensive, the lack of information pertaining to quality controls and quality assurances on the sampling and spatial data dictates that further assaying checking and twinning of selected holes is mandatory in any future exploration programs.

This estimate has been modelled by using not only the drill hole database but also by incorporating the detailed surface mapping by the previous explorer, with an understanding of the nature and extent of the vein systems as described from investigations and production in underground workings. Additionally the vein geometry and distribution, again as detailed by

previous explorers, was also used to model this estimate.

This potential quantity and grade is only conceptual in nature. There has been insufficient quality of exploration to estimate a Mineral Resource and that it is uncertain if further exploration will result in the estimation of any Mineral Resource.

**Tony Sage**

**Chairman**

**European Lithium Limited**

### **Competent Person's Statement**

The information in this announcement pertaining to the Wolfsberg Lithium Project, and to which this statement is attached, relates to Exploration Results, Mineral Resources or Ore Reserves compiled by Mr D. Haines, who is a Consultant to the Company and is a Member of the Association of Professional Geoscientists of Ontario with over 30 years' experience in the mining and resource exploration industry. Mr Haines has sufficient experience, as to qualify as a Competent Person as defined in the 2012 edition of the "Australian Code for Reporting of Mineral Resources and Ore reserves". Mr Haines consents to the inclusion in the report of the matters based on information in the form and context in which it appears. The company is reporting the historical exploration results under the 2012 edition of the Australasian Code for the Reporting of Results, Minerals Resources and Ore reserves (JORC code 2012).

The information in this announcement pertaining to Paynes Find Gold Project, and to which this statement is attached, relates to Exploration Results, Mineral Resources or Ore Reserves compiled by Mr D. J. Holden, who is a Consultant to the Company and is a Member of The Australian Institute of Geoscientists with over 25 years' experience in the mining and resource exploration industry. Mr Holden has sufficient experience, as to qualify as a Competent Person as defined in the 2012 edition of the "Australian Code for Reporting of Mineral Resources and Ore reserves". Mr Holden consents to the inclusion in the report of the matters based on information in the form and context in which it appears. The company is reporting the historical exploration results under the 2012 edition of the Australasian Code for the Reporting of Results, Minerals Resources and Ore reserves (JORC code 2012).

**Tenement Status:**

The mining tenements held at the end of the quarter, acquired and disposed of during the quarter and their location:

<b>Tenement reference</b>	<b>Location</b>	<b>Acquired interest during the quarter</b>	<b>Disposed interest during the quarter</b>	<b>Interest at the end of the quarter</b>
M59/2	Paynes Find, WA	-	-	100%
M59/10	Paynes Find, WA	-	-	100%
M59/235	Paynes Find, WA	-	-	100%
M59/244	Paynes Find, WA	-	-	100%
M59/396	Paynes Find, WA	-	-	100%
M59/662	Paynes Find, WA	-	-	100%
M59/663	Paynes Find, WA	-	-	100%
P59/1907	Paynes Find, WA	-	-	100%
P59/1908	Paynes Find, WA	-	-	100%
P59/1909	Paynes Find, WA	-	-	100%
P59/1924	Paynes Find, WA	-	-	100%
P59/1941	Paynes Find, WA	-	-	100%
P59/1942	Paynes Find, WA	-	-	100%
P59/1956	Paynes Find, WA	-	-	100%
P59/1957	Paynes Find, WA	-	-	100%
P59/1958	Paynes Find, WA	-	-	100%
P59/1959	Paynes Find, WA	-	-	100%
104/96	Wolfsberg Project, Austria	100%	-	100%
105/96	Wolfsberg Project, Austria	100%	-	100%
106/96	Wolfsberg Project, Austria	100%	-	100%
107/96	Wolfsberg Project, Austria	100%	-	100%
108/96	Wolfsberg Project, Austria	100%	-	100%
109/96	Wolfsberg Project, Austria	100%	-	100%
110/96	Wolfsberg Project, Austria	100%	-	100%
111/96	Wolfsberg Project, Austria	100%	-	100%
112/96	Wolfsberg Project, Austria	100%	-	100%
113/96	Wolfsberg Project, Austria	100%	-	100%
114/96	Wolfsberg Project, Austria	100%	-	100%
115/96	Wolfsberg Project, Austria	100%	-	100%
116/96	Wolfsberg Project, Austria	100%	-	100%
117/96	Wolfsberg Project, Austria	100%	-	100%
118/96	Wolfsberg Project, Austria	100%	-	100%
119/96	Wolfsberg Project, Austria	100%	-	100%
120/96	Wolfsberg Project, Austria	100%	-	100%
121/96	Wolfsberg Project, Austria	100%	-	100%
122/96	Wolfsberg Project, Austria	100%	-	100%
123/96	Wolfsberg Project, Austria	100%	-	100%
124/96	Wolfsberg Project, Austria	100%	-	100%

125/96	Wolfsberg Project, Austria	100%	-	100%
370/11(611/11)	Wolfsberg Project, Austria	100%	-	100%
371/11(612/11)	Wolfsberg Project, Austria	100%	-	100%
372/11(613/11)	Wolfsberg Project, Austria	100%	-	100%
373/11(614/11)	Wolfsberg Project, Austria	100%	-	100%
374/11(615/11)	Wolfsberg Project, Austria	100%	-	100%
375/11(616/11)	Wolfsberg Project, Austria	100%	-	100%
378/11(619/11)	Wolfsberg Project, Austria	100%	-	100%
379/11(620/11)	Wolfsberg Project, Austria	100%	-	100%
380/11(621/11)	Wolfsberg Project, Austria	100%	-	100%
381/11(622/11)	Wolfsberg Project, Austria	100%	-	100%
382/11(623/11)	Wolfsberg Project, Austria	100%	-	100%
383/11(624/11)	Wolfsberg Project, Austria	100%	-	100%
384/11(625/11)	Wolfsberg Project, Austria	100%	-	100%
386/11(627/11)	Wolfsberg Project, Austria	100%	-	100%
387/11(628/11)	Wolfsberg Project, Austria	100%	-	100%
388/11(629/11)	Wolfsberg Project, Austria	100%	-	100%
389/11(630/11)	Wolfsberg Project, Austria	100%	-	100%
390/11(631/11)	Wolfsberg Project, Austria	100%	-	100%
391/11(632/11)	Wolfsberg Project, Austria	100%	-	100%
392/11(633/11)	Wolfsberg Project, Austria	100%	-	100%
394/11(636/11)	Wolfsberg Project, Austria	100%	-	100%
395/11(637/11)	Wolfsberg Project, Austria	100%	-	100%
396/11(638/11)	Wolfsberg Project, Austria	100%	-	100%
397/11(639/11)	Wolfsberg Project, Austria	100%	-	100%
398/11(640/11)	Wolfsberg Project, Austria	100%	-	100%
400/11(645/11)	Wolfsberg Project, Austria	100%	-	100%
401/11(646/11)	Wolfsberg Project, Austria	100%	-	100%
402/11(647/11)	Wolfsberg Project, Austria	100%	-	100%
403/11(648/11)	Wolfsberg Project, Austria	100%	-	100%
408/11(648/11)	Wolfsberg Project, Austria	100%	-	100%
409/11(641/11)	Wolfsberg Project, Austria	100%	-	100%
412/11(649/11)	Wolfsberg Project, Austria	100%	-	100%
Andreas 1	Wolfsberg Project, Austria	100%	-	100%
Andreas 2	Wolfsberg Project, Austria	100%	-	100%
Andreas 3	Wolfsberg Project, Austria	100%	-	100%
Andreas 4	Wolfsberg Project, Austria	100%	-	100%
Andreas 5	Wolfsberg Project, Austria	100%	-	100%
Andreas 6	Wolfsberg Project, Austria	100%	-	100%
Andreas 7	Wolfsberg Project, Austria	100%	-	100%
Andreas 8	Wolfsberg Project, Austria	100%	-	100%
Andreas 9	Wolfsberg Project, Austria	100%	-	100%
Andreas 10	Wolfsberg Project, Austria	100%	-	100%
Andreas 11	Wolfsberg Project, Austria	100%	-	100%

## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

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

### Name of entity

EUROPEAN LITHIUM LIMITED

### ABN

45 141 450 624

### Quarter ended ("current quarter")

30 September 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(804)	(804)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(349)	(349)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,152)</b>	<b>(1,152)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

## Mining exploration entity and oil and gas exploration entity quarterly report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (previously incurred project expenditure)	(262)	(262)
	Other (cash on hand for new subsidiaries on settlement of acquisition)	29	29
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(233)</b>	<b>(233)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	6,232	6,232
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(151)	(151)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>6,081</b>	<b>6,081</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	709	709
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,152)	(1,152)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(233)	(233)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	6,081	6,081

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	(15)	(15)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>5,390</b>	<b>5,390</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	5,390	709
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>5,390</b>	<b>709</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

<b>Current quarter \$A'000</b>
177
-

Director Fees & Consultancy Fees paid to Directors

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

<b>Current quarter \$A'000</b>
-
-

Not applicable

## Mining exploration entity and oil and gas exploration entity quarterly report

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Not applicable

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	1,094
9.2 Development	-
9.3 Production	-
9.4 Staff costs	20
9.5 Administration and corporate costs	333
9.6 Other (previously incurred project expenditure)	1,300
<b>9.7 Total estimated cash outflows</b>	<b>2,747</b>

## Mining exploration entity and oil and gas exploration entity quarterly report

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2	Interests in mining tenements and petroleum tenements acquired or increased	104/96 through to 125/96 370/11(611/11) 371/11(612/11) 372/11(613/11) 373/11(614/11) 374/11(615/11) 375/11(616/11) 378/11(619/11) 379/11(620/11) 380/11(621/11) 381/11(622/11) 382/11(623/11) 383/11(624/11) 384/11(625/11) 386/11(627/11) 387/11(628/11) 388/11(629/11) 389/11(630/11) 390/11(631/11) 391/11(632/11) 392/11(633/11) 394/11(636/11) 395/11(637/11) 396/11(638/11) 397/11(639/11) 398/11(640/11) 400/11(645/11) 401/11(646/11) 402/11(647/11) 403/11(648/11) 408/11(648/11) 409/11(641/11) 412/11(649/11) Andreas 1 through to 11	The Company's wholly owned subsidiary, ECM Lithium AT GmbH is the sole holder of the Wolfsberg Lithium Project in Austria.	-	100%

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here: .....  
Company secretary

Date: .....28 October 2016.....

Print name: .....Amy Fink.....

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by 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.