

For immediate release  
23 November 2016

### **Managing Director's Address Annual General Meeting**

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Financial year 2016 was difficult – as was reflected in the share price over the year. But the Company survived and we believe is now looking at a better future.

The transition out of past projects was completed in April with the relinquishment of our two remaining iron-ore prospects, Chitterberin and Burracoppin. These projects were part of a strategy designed to attract larger companies to join us by funding and managing the latter stages of exploration and any subsequent mine development. Our past joint venture with Cliffs sole funding \$8.8m and which succeeded in discovering the Chitterberin and Burracoppin magnetite deposits and identifying a resource at Chitterberin is a demonstration of that strategy.

The Company's focus is now on projects that are closer to production rather than their capacity to be of interest to major mining companies after our initial exploration activities have proved or upgraded an exploration model .

Our work on the Cassilis gold project supports our view on the project's potential to deliver a cash generating project based on the currently known mineralisation and to provide a significant exploration project designed to discover a much larger orebody comprising mineralisation at lower gold grades than were of any interest to the past workers who established the existing goldfield. Unfortunately these positive attributes are significantly offset by a regulatory environment that to date has presented obstacles rather than facilitation of any progress. Actions by the Mines Department will mean a further 2 year delay to any commencement of gold production from the project.

We are now investigating projects best characterised by change. Change opens opportunities. Change in market demand for the product, change delivered by new processing technologies and changes in mining methods. Changes which can transform an uneconomic deposit into a lowest cost producer.

Lithium, its use and how it is mined and refined is a metal that demonstrates the changes we seek to exploit.

Demand for lithium is growing dramatically. Current production is from hard rock sources and from brines. New processing technology has potential to provide opportunities for new processing facilities to be deployed on deposits creating new production with lower costs than existing operations. Our focus is on exploiting potential new processing technologies that may enable lithium extraction and refining from brines. Such technologies may render obsolete the current evaporation ponds used by many existing lithium from brine producers and enable production of battery grade lithium products.

The over subscription for the Share Purchase Plan that opened on 2 November is a welcome show of support from shareholders for the Company.

Geof Fethers  
Managing Director