



ASX Release
5 April 2018
ASX: NLI

Corporate Directory

Non-Executive Chairman
John Fitzgerald

Non-Executive Director
Dudley J Kingsnorth

Managing Director
Justin Tremain

Executive Technical Director
Francis Wedin

Fast Facts

Issued Capital	372.8m
Market Cap	\$18.6m
Cash (31 Mar 18)	\$16.0m
Enterprise Value	\$2.6m

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Shareholder Update

Novo Lítio Limited (ASX: NLI) (**Novo Lítio** or **the Company**) provides an update to shareholders of its activities and in particular the legal dispute with Lusorecursos Lda (**Lusorecursos**) concerning the ownership of the Sepeda Lithium Project (and associated licence applications) in Portugal (**Sepeda Project**).

Sepeda Legal Proceedings

As announced on 6 December 2017, Novo Lítio's request for expedited legal proceedings to hear the Lusorecursos dispute was denied by the Court. The Company has been unable to appeal this decision. As a result, legal proceedings to resolve the dispute will be protracted.

Such a long period of uncertainty is not in the interest of either Novo Lítio or Lusorecursos. Novo Lítio believes it is in the interest of both parties and all stakeholders, including the local community and Portuguese Government, to resolve the legal dispute commercially and quickly. Novo Lítio has recently been making a concerted effort to engage with Lusorecursos on a without prejudice basis to resolve the matter outside of the legal process. The Company will pursue its legal rights if it is unable to resolve the dispute commercially. Novo Lítio will keep shareholders informed of any progress on the matter.

Given the Sepeda Project licences are registered in the name of Lusorecursos with the Portuguese General Directorate of Energy and Geology (**DGEG**), it is not legally possible for the DGEG to recognise Novo Lítio's application for a mining licence over the Sepeda Project. The DGEG is aware of the legal dispute between Novo Lítio and Lusorecursos.

Cost Reductions

The Company has reduced overhead costs and financial commitments to preserve its strong cash position of approximately A\$16 million. Consistent with this, the Company is undertaking further desktop technical reviews of its Spodumenberget Lithium Project in Sweden before committing to a maiden drilling program.

Project Generation

In addition to endeavouring to resolve the Sepeda Project ownership dispute, Novo Lítio is seeking to identify and review prospective opportunities both within and outside Portugal to satisfy the Company's ultimate objective of providing value-enhancing opportunities to its shareholders.

For further information please contact
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