



## ACTIVITIES REPORT JUNE QUARTER 2018

### ASX ANNOUNCEMENT

17 July 2018

ASX Code: CMM

ABN: 84 121 700 105

#### Board of Directors:

Mr Heath Hellewell  
*Executive Chairman*

Mr Peter Langworthy  
*Non-Executive Director*

Mr Stuart Pether  
*Non-Executive Director*

Ms Debra Bakker  
*Non-Executive Director*

#### Issued Capital:

Shares 747.9M  
Options 56.7M  
Share Price A\$0.068  
Market Cap. A\$50.9M

#### REGISTERED OFFICE:

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### HIGHLIGHTS

- New Karlawinda Ore Reserve of 28Mt @ 1.0g/t Au containing 892,000oz ounces<sup>1</sup> of gold estimated by Entech Consulting. This is a 25% increase from the previously announced maiden Ore Reserve.
- The new Ore Reserve is contained within an updated Measured and Indicated Mineral Resource of 45Mt @ 1.0g/t Au containing 1.4Moz.
- Optimisation of the key inputs to the October 2017 Feasibility Study for the Karlawinda Gold Project were completed, following the increase in the Ore Reserve.
- The pre-tax Project NPV<sub>(8)</sub> has increased by 69% to \$243m at an improved IRR of 36%, with Project pay back reduced to 2.5 years.
- Total upfront capital costs have been reduced by approximately 10% to \$132.0m and significant improvements to the process flowsheet have been identified, resulting in higher throughput of oxide and laterite ores and lower operating costs.
- The mine life has been increased by 2 years to 8.5 years, with a 25% increase in LOM gold production to 823koz recovered at a LOM AISC of \$1038oz. The LOM strip ratio is relatively unchanged at 4.8:1.
- Optimisation of the mining schedule has smoothed material movements which has materially enhanced the cashflow generation in the first two years of production.
- Debt financing discussions with banks are now in the final stage and credit-approved terms sheets are expected to be received in the September 2018 Quarter.
- Deep diamond drilling at the Bibra Deeps target returned significant results:
  - 33m @ 1.42g/t Au from 697m including higher grades intercepts of:
    - 5m @ 4.5g/t Au from 708m
    - 3m @ 4.6g/t Au from 725m
- Significant progress on Project permitting was made during the Quarter.

1. Capricorn report that it is not aware of any new information or data that materially affects the information included in the Reserve and Resource announcement dated 29<sup>th</sup> May 2018 and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and there have been no adverse material changes

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## JUNE QUARTER ACTIVITIES SUMMARY

During the June 2018 Quarter the Company released an updated Ore Reserve and Mineral Resource estimate for the Karlawinda Gold Project, with Ore Reserves growing by 25% to: **27.5 million tonnes @ 1.0g/t Au for 892,000oz**. This Ore Reserve is a subset of the Measured and Indicated Mineral Resource estimate of 44.8 million tonnes @ 1.0g/t Au for 1.4 million ounces.

The Company finalised work on a number of key studies with the aim of optimising the Karlawinda Gold Project Feasibility Study. The increased Ore Reserve and optimisation studies delivered a **69% increase in the pre-tax Project NPV<sub>(8)</sub> to \$243m at an improved IRR of 36%**.

The Company also continued discussions in relation to the proposed debt component of the Project financing and key contracts were put out to tender. GR Engineering Services was announced as the preferred contractor for the construction of the 3.0Mtpa Carbon-in-Leach (CIL) processing plant.

Permitting of the Project continued with significant progress made on all the outstanding major permitting requirements. The Company also continued to engage with pastoralists and other stakeholders to facilitate a smooth transition to Project development.

Exploration activities continued during the Quarter with the commencement of follow-up drilling of the resource extension target at the Tramore Prospect. RC drilling was also conducted at several other targets within the Mining Lease area. Regional exploration continued with soil geochemical sampling programs completed over the broader Project area.

Results from deep drilling to test the Bibra mineralised system approximately 1,000m down-dip from the deepest previous drilling were released. Drill hole KBD089 intercepted the main Bibra Footwall Lode, which returned assay results of 33m @ 1.42g/t Au from 697m. Importantly this interval included higher-grade zones of 5m @ 4.5g/t Au from 708m and 3m @ 4.6g/t Au from 725m.

This deep drilling was partly funded through assistance provided by the State Government of Western Australia's Exploration Incentive Scheme (EIS).

## Karlawinda Gold Project Development

### *UPDATED ORE RESERVE ESTIMATE*

On the 29<sup>th</sup> May 2018 the Company announced a new Ore Reserve estimate of 27.5 million tonnes @ 1.0g/t Au for 892,000oz for the Bibra Deposit (including the Southern Corridor pit) at the Karlawinda Gold Project, which is based on an updated Mineral Resource estimate of 44.8 million tonnes @ 1.0g/t Au for 1.4 million ounces (Table 1).

The Ore Reserve is contained within a detailed four-stage open pit design (Figure 1) with a life of mine (LOM) stripping ratio of 4.8:1. The stage one pit shells contain predominantly laterite and oxide mineralisation.

**TABLE 1: KARLAWINDA OPEN PIT ORE RESERVE STATEMENT**  
(A\$1600/ounce assumption)

Deposit	PROVED RESERVES			PROBABLE RESERVES			TOTAL RESERVES		
	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
	('000 t)	(g/t Au)	('000 oz)	('000 t)	(g/t Au)	('000 oz)	('000 t)	(g/t Au)	('000 oz)
Bibra pit	9,603	1.1	337	16,915	1.0	529	26,518	1.0	866
Sth Corridor pit	7.9	0.6	0.2	1,027	0.8	26	1,035	0.8	26
<b>Total</b>	<b>9,611</b>	<b>1.1</b>	<b>337</b>	<b>17,942</b>	<b>1.0</b>	<b>555</b>	<b>27,553</b>	<b>1.0</b>	<b>892</b>

**Notes for May 2018 Ore Reserve estimate:**

1. Ore Reserves are a subset of Mineral Resources.
2. Ore Reserves reported in conformance with the JORC 2012 Code definitions.
3. Ore Reserves are calculated using a gold price of A\$1600/ounce.
4. Ore Reserves are calculated using a cut-off grade between 0.27g/t and 0.35g/t Au.
5. Mining dilution and recovery, estimated by modelling to a Selective Mining Unit (SMU) with dimensions of 5m x 5m x 2.5m, are 6% and 92% respectively.

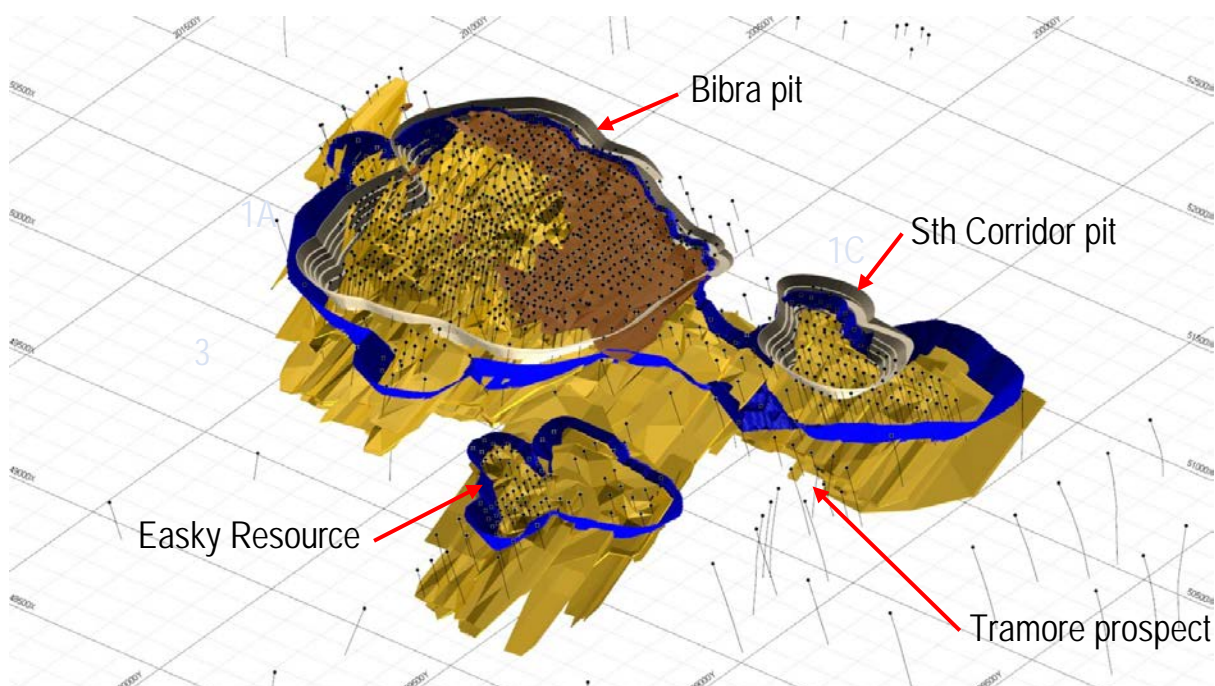


Figure 1: Karlawinda Ore Reserve pits (grey) and Mineral Resource pit shells (blue).

## **OPTIMISATION STUDIES**

In combination with the tender evaluation process for the EPC contract, the Company also undertook a detailed review of the Feasibility Study capital cost estimates outside of the scope of the fixed price contract awarded to GR Engineering. The culmination of these studies resulted in material reductions in both the upfront capital requirements and the sustaining capital costs of the Project. Reductions in sustaining capital costs were realised despite the significant increase in the life of mine to 8.5 years as result of increased Ore Reserves.

Total upfront capital costs have been reduced by approximately 10% to \$132.0m and significant improvements to the process flowsheet have been identified through various trade off studies, resulting in higher throughput of oxide and laterite ores and lower plant operating costs.

Following the completion of the updated Ore Reserve estimate, mine redesign and rescheduling was undertaken for the Bibra Open Pit. This work resulted in an improved mining schedule with "smoothed" more consistent rates of material movement over the life of mine, resulting in improvements to the Project cashflows and lower mining equipment capital costs due to reduced fleet requirements.

An escalation in the diesel price since the completion of the Feasibility Study was incorporated into the updated mining study.

Optimisation of the Project power supply has been completed with the focus now on finalising contractual arrangements for a gas-fired onsite power station fuelled via a lateral pipeline from the Goldfields Gas Pipeline (GGP) located approximately 56km west of the proposed processing plant. A formal tender process for the award of onsite power generation has commenced.

## **PROJECT ECONOMICS**

Following the completion of optimisation studies the pre-tax Project NPV<sub>(8)</sub> has increased to \$243 million due primarily to reductions in capital costs and the increase in total LOM gold production (Table 2). An increase in gold price assumptions for economic modelling to A\$1,700/oz, which is reflective of the prevailing market, also has a positive impact on Project economics.

Improved Project cash flows have been realised due to optimisation of the mine scheduling within the expanded open pit. Rescheduling of material movements based on the increased Ore Reserves has allowed for a four-stage, rather than three-stage open pit mine design. This as resulted in the deferral of waste movement which has a positive impact on cash-flows. Project economics are also enhanced by increased throughput rates of the processing plant for oxide and laterite ore due to a reconfiguration of the grinding circuit. This reconfiguration also provides greater operational flexibility within the process plant.

## **PROJECT FINANCING**

During the Quarter discussions continued with several short-listed banks who are currently reviewing Project information in a data room. Following the updated Ore Reserve estimate and the completion of optimisation studies a revised financial model was provided to the banks along with a detailed draft term sheet. Site visits have been conducted with the short-listed parties.

The Company currently expects the debt component of the Project financing to be approximately 60% of the total funding requirement and it is envisaged that the debt funding syndicate will comprise two to three banks.

TABLE 2: KARLAWINDA GOLD PROJECT ECONOMIC PARAMETERS

Parameters	Unit	October 2017 Feasibility Study	June 2018 Optimisation	Increase/Decrease
<b>Processing Plant &amp; Infrastructure Capital Costs<sup>1</sup></b>				
3.0 Mtpa Process Plant <sup>2</sup>	A\$m	98.7	88.1	- 10.7%
Plant & Other Infrastructure	A\$m	33.2	36.7	+ 10.5%
Indirect Costs	A\$m	14.5	7.2	- 50.3%
<b>Total (including contingency)</b>	<b>A\$m</b>	<b>146.3</b>	<b>132.0</b>	<b>- 9.8%</b>
Capital Cost/LOM Gold Production	A\$/oz	221	160	- 27.6%
Capital Cost / Pre-Tax NPV		1.02	0.54	- 47.1%
LOM Sustaining Capital Costs <sup>3</sup>	A\$m	22.8	22.0	- 3.5%
LOM Mining Equipment Capital Cost <sup>4</sup>	A\$m	50.5	46.7	- 7.5%
<b>Production Summary</b>				
Life of Mine (LOM)	Years	6.5	8.5	+ 30.8%
LOM Strip Ratio	Waste:Ore	4.7:1	4.8:1	+ 2.1%
LOM Gold Production	Oz	660,995	823,413	+ 24.6%
LOM Average Annual Gold Production	Oz	101,685	96,872	- 4.7%
Processing Rate – oxide	Mtpa	3.75	4.0	+ 6.7%
Processing Rate – primary	Mtpa	3.0	3.0	-
LOM Average Gold Recovery	%	92.6	92.1	- 0.5%
<b>LOM Operating Costs</b>				
Mining <sup>5</sup>	A\$/t milled	13.8	14.1	+ 2.2%
Processing (Laterite/Oxide)	A\$/t milled	9.9	9.0	- 9.1%
Processing (primary)	A\$/t milled	13.0	11.7	- 10.0%
Processing (Average LOM)	A\$/t milled	12.0	10.8	- 10.0%
Administration	A\$/t milled	2.58	2.50	- 3.1%
C1 Costs	A\$/oz	991	1011	+ 2.0%
AISC	A\$/oz	1025	1038	+ 1.3%
<b>Project Economics<sup>6</sup></b>				
LOM Revenue	A\$m	1091	1408	+ 29.1%
LOM Pre-Tax Operating Cashflow	A\$m	413	556	+ 34.6%
NPV <sub>8</sub> (Pre-Tax)	A\$m	144	243	+ 68.9%
NPV <sub>8</sub> (Post-Tax)	A\$m	97	166	+ 71.6%
IRR (Pre-Tax)	%	30.5	36.4	+ 19.3%
Payback (Post-Tax)	Years	3.1	2.5	- 19.3%

## PERMITTING

The Native Title Agreement, Mining Lease and Native Vegetation Clearing Permits are in place for the mining and associated infrastructure areas of the Project. During the Quarter the Project Management Plan was approved whilst work continued on the currently outstanding 5C Water License, Mining Proposal and Closure Plan, and Works Approvals. All outstanding approvals required to commence construction are anticipated in the current quarter.

Following the decision to proceed with the proposed lateral gas pipeline, a pipeline license application has been submitted, the relevant tenure applications have been lodged and site surveys have been undertaken.

<sup>1</sup> Amounts shown for the capital costs include contingency amounts.

<sup>2</sup> The October 2017 Feasibility Study processing plant capital excluded the capital amount for ball mill installation. An amount of \$9.6 million was included as sustaining capital in the Feasibility Study at the end of Year 2. The Optimisation Study now includes the ball mill from project commencement and is included in the process plant capital cost. Capital costs shown include contingency amounts which vary between 0% and 15% depending on capital item.

<sup>3</sup> Includes mine closure costs.

<sup>4</sup> Assumes owner operator load and haul mining

<sup>5</sup> Diesel costs increased to \$0.85/litre in Optimisation Study from \$0.70/litre (after diesel fuel rebate and net of GST). Excludes capital cost for mining fleet. Including mining fleet capital increases Feasibility Study mining cost to \$16.20/tonne milled and Optimisation Study mining cost to \$15.80/tonne (before interest and insurance costs).

<sup>6</sup> October 2017 Feasibility Study at A\$1,650/oz and 2018 Optimised Study at A\$1,700/oz.

## Exploration

Following completion of the updated resource and reserve estimations during the Quarter, exploration focus shifted onto regional exploration targets along with on-going drilling of the resource extension target at the Tramore Prospect. The exploration team has also been busy undertaking sterilisation drilling over areas of planned infrastructure.

### ***BIBRA RESOURCE EXTENSION DRILLING***

Further RC drilling at the Tramore Prospect, located south of the main Bibra open pit, has been ongoing during the Quarter. This recent RC drilling program continues to evaluate the zone of mineralisation defined by aircore and RC drilling over a strike length of approximately 450m and located immediately south of the planned Bibra open pit. Final results from this program are expected in the coming weeks.

### ***REGIONAL EXPLORATION***

RC drilling to follow up several new and existing target areas within the prospective Bibra mine sequence was undertaken during the Quarter, with results expected in August.

A program of regional soil geochemical sampling comprising approximately 3,500 samples commenced during the Quarter and is approximately 50% complete. Some delays were experienced with execution of geochemical programs due to wet weather.

### ***BIBRA DEEPS DRILLING***

As previously announced in the March 2018 Quarterly Report, in early April significant results were returned from deep diamond drilling at the Bibra deposit.

- 33m @ 1.42g/t Au from 697m including higher grades intercepts of:
  - 5m @ 4.5g/t Au from 708m
  - 3m @ 4.6g/t Au from 725m

Drilling intercepted the interpreted extension of the main mineralised lodes at Bibra confirming the continuation of the mine stratigraphy and mineralised zones and essentially doubled the known extent of the Bibra gold system.

The drillhole is partly funded through co-funding assistance provided by the State Government of Western Australia's Exploration Incentive Scheme (EIS) where 50% of the direct drilling cost is covered by the scheme.

## Corporate

Cash balance at the end of the Quarter was \$5.58 million.

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## SEPT QUARTER PLANNED ACTIVITIES

Activities planned for the September Quarter include:

- Finalisation of a final Project Design and Construct Contract. The original Letter Of Intent with GR Engineering has been extended to allow final drafting of the detailed contract.
- Acquisition of mine village facilities
- Completion of tender processes for:
  - Contract mining



- Independent power supply
- Mine village construction
- Catering and camp services
- Completion of financing discussions with short-listed debt financiers
- Final RC drilling results from the Tramore Prospect and other targets
- Completion of regional soil geochemical surveys

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## TENEMENTS

A full listing of the Company's current tenement holdings, as at the date of this release, is included as Appendix 1.

During the Quarter, the following changes have occurred:

- Miscellaneous Licenses L52/174, L52/181 were granted on the 18<sup>th</sup> of April, L52/183 was granted on the 3<sup>rd</sup> of May and L52/179 was granted on 28<sup>th</sup> of May.
- Miscellaneous License Application L52/189, L52/192 and L52/196 were lodged.

*For and on behalf of the Board*



**Heath Hellewell**  
**Executive Chairman**

***For further information, please contact:***

Mr Heath Hellewell,  
Executive Chairman  
Email: [enquiries@capmet.com.au](mailto:enquiries@capmet.com.au)  
Phone: (08) 9212 4600

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### ***Competent Persons Statement***

*The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled or reviewed by Mr. Michael Martin who is Chief Geologist and a full-time employee of the Company. Mr. Michael Martin is a current Member of the Australian Institute of Geoscientists and has sufficient experience, which is relevant to the style of mineralisation and types of deposit under consideration and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Martin consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.*

*The information in this report that relates to Ore Reserves for Bibra is based on information compiled by Mr Daniel Donald. Mr Donald is an employee of Entech Pty Ltd and is a Member of the Australian Institute of Mining and Metallurgy (MAusIMM, #210032). Mr Donald has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity currently being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Donald consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.*

*Capricorn Metals confirms that it is not aware of any new information or data that materially affects the information included in the previous ASX announcements on Mineral Resources (10/4/2017), Metallurgy (19/6/2017) and Ore Reserves (7/08/2017) and, in the case of estimates of Mineral Resources, Ore Reserves, Plant operating costs and Metallurgy, all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not materially changed from previous market announcements.*

## Forward Looking Statements

This announcement may contain certain “forward-looking statements” which may not have been based solely on historical facts, but rather may be based on the Company’s current expectations about future events and results. Where the Company expresses or implies an expectation of belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. The detailed reasons for that conclusion are outlined throughout this announcement and all Material Assumptions are disclosed.

However, forward looking statements are subject to risks, uncertainties, assumptions and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements.

Such risks include, but are not limited to resource risk, metals price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as governmental regulation and judicial outcomes.

For a more detailed discussion of such risks and other factors, see the Company’s Annual Reports, as well as the Company’s other filings. Readers should not place undue reliance on forward looking information. The Company does not undertake any obligation to release publicly any revisions to any “forward looking statement” to reflect events or circumstances after the date of this announcement, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

The Company has concluded it has a reasonable basis for providing the forward-looking statements that relate to the Karlawinda Feasibility Study that are included in this announcement and which has been prepared in accordance with the JORC code (2012) and ASX Listing Rules.

## APPENDIX 1 – TENEMENT SCHEDULE

### Australia:

Lease	Project	Company	Blocks <sup>1</sup>	Status	Date of Grant/ Application	Expiry
<b>Tenements</b>						
E52/1711	Karlawinda	Greenmount	33	Granted	05/08/2004	04/08/2018
E52/2247	Karlawinda	Greenmount	16	Granted	21/07/2009	20/07/2019
E52/2398	Karlawinda	Greenmount	15	Granted	28/04/2010	27/04/2020
E52/2409	Karlawinda	Greenmount	8	Granted	15/06/2010	14/06/2020
E52/3323	Karlawinda	Greenmount	11	Granted	11/03/2016	10/03/2021
E52/3363	Karlawinda	Greenmount	36	Granted	13/01/2017	12/01/2022
E52/3364	Karlawinda	Greenmount	44	Granted	07/03/2017	06/03/2022
E52/3450	Karlawinda	Greenmount	16	Granted	13/01/2017	12/01/2022
E52/3474	Karlawinda	Greenmount	128	Granted	03/07/2017	02/07/2022
E52/3533	Karlawinda	Greenmount	109	Application	23/03/2017	-
E52/3541	Karlawinda	Greenmount	7	Granted	28/03/2018	27/03/20123
E52/3543	Karlawinda	Greenmount	8	Granted	28/03/2018	27/03/20123
E52/3562	Karlawinda	Greenmount	20	Granted	28/03/2018	27/03/20123
E52/3571	Karlawinda	Greenmount	10	Application	10/08/2017	-
<b>Total Blocks</b>			<b>461</b>			
<b>Miscellaneous Licences</b>						
L52/174	Karlawinda	Greenmount	22.17 ha	Application	25/08/2017	17/04/2039
L52/177	Karlawinda	Greenmount	12.20 ha	Granted	08/12/2017	07/12/2038
L52/178	Karlawinda	Greenmount	21.41 ha	Granted	08/12/2017	07/12/2038
L52/179	Karlawinda	Greenmount	127.83 ha	Application	25/08/2017	27/05/2039
L52/181	Karlawinda	Greenmount	1.00 ha	Application	15/09/2017	17/04/2039
L52/183	Karlawinda	Greenmount	28.46 ha	Application	08/12/2017	2/05/2039
L52/189	Karlawinda	Greenmount	1258 ha	Application	10/04/2018	-
L52/192	Karlawinda	Greenmount	220 ha	Application	16/05/2018	-
L52/196	Karlawinda	Greenmount	135 ha	Application	1/06/2018	-
<b>Mining Lease</b>						
M52/1070	Karlawinda	Greenmount	2975.07 ha	Granted	23/11/2016	22/11/2037

### Note:

1. The area measurement for one block can vary between 2.8 – 3.2 km<sup>2</sup>

### Madagascar:

Title Number	Permit Type	Grant Date	Expiry Date	Term (Years)	Project Name	Total Carres (New - 0.391km <sup>2</sup> )	Interest %	Note
25095	PE	18-Jan-07	17-Jan-47	40	Ampanihy - Maniry	48	100%	1
<b>Total Carres</b>						<b>608</b>		

### Note:

1. Leased to SQNY – Royalty and partial tenement fees payable to subsidiary Mada-Aust SARL.



## 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

CAPRICORN METALS LTD

### ABN

84 121 700 105

### Quarter ended ("current quarter")

30 JUNE 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	15	69
1.2 Payments for		
(a) exploration & evaluation	(1,339)	(6,602)
(b) development	-	-
(c) production	-	-
(d) staff costs	(322)	(1,326)
(e) administration and corporate costs	(191)	(854)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	16	56
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Grant Income	61	61
1.8 Other: GST (Paid)/ Refunded	136	145
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,624)</b>	<b>(8,451)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(4)	(36)
(b) tenements (see item 10)	-	-
(c) investments (deferred instalments)	(7)	(44)

## 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 (12 months) \$A'000</b>
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	142
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	(331)
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(11)</b>	<b>(269)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	9,129
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	-	(372)
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>-</b>	<b>8,757</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	7,214	5,542
4.2	Net cash used in operating activities (item 1.9 above)	(1,624)	(8,451)
4.3	Net cash from/ (used) in investing activities (item 2.6 above)	(11)	(269)
4.4	Net cash from financing activities (item 3.10 above)	-	8,757

## 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 (12 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>5,579</b>	<b>5,579</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	5,579	7,214
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>5,579</b>	<b>7,214</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>
137
-

Directors remuneration	95
Exploration personnel services	42

**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>
-

## 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.		

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<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	1,500
9.2 Development	-
9.3 Production	-
9.4 Staff costs	500
9.5 Administration and corporate costs	250
9.6 Other (provide details if material)	
<b>9.7 Total estimated cash outflows</b>	<b>2,250</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced		Refer to Covering Quarterly Activity Report attached hereto		
10.2 Interests in mining tenements and petroleum tenements acquired or increased		Refer to Covering Quarterly Activity Report attached hereto		

**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: 17 July 2018

Print name: Natasha Santi

**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.