

31 January 2017

REPORT FOR THE QUARTER ENDED 31st DECEMBER 2016

Highlights

Mount Coolon Gold Project:

Koala Gold deposit:

- Stage 1 of drilling programme has been completed at the Koala Gold Mine with 23 diamond holes drilled for a total of 1,303 metres
- Results have confirmed the presence of remnant high-grade gold mineralisation in quartz vein and breccia style settings throughout the old stope areas tested.
- The Company has commenced Stage 2 drilling in January 2017 and the program forms part of the Study to evaluate recommencement of mining operations at the Koala Gold Mine.

Corporate:

- Loan Agreement executed with National Federal Capital (NFC) on 18 October 2016, totalling AUD\$10 million. An amount of AUD\$1.5million has been advanced under the facility. NFC is currently in breach of the terms of the Agreement having failed to remit the balance of the tranche 1 loan of AUD\$3.5million. The Company remains in discussions with NFC to resolve the matter.

ASX Code: GBZ

COMPANY DIRECTORS

Peter Thompson
Managing Director/ Executive Chairman

Neil Norris
Exploration Director – Executive

Hun Seng Tan
Non- Executive Director

CONTACT DETAILS

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SAFETY AND ENVIRONMENT

No LTI or environmental incidents were reported during the December Quarter. The Company has now completed 64 consecutive months with no LTI's and 110 consecutive months with no significant environmental incidents. GBM is committed to continuously improving safety and environment systems with the clear aim of achieving zero harm. During the upcoming March Quarter an annual update of safety training is planned for all staff.

100% GBM Gold Projects

Mount Coolon Gold Project, Queensland

Following completion of the positive Eugenia Scoping Study in the previous quarter (*refer ASX announcement 23 August 2016*), GBM focussed attention on upgrading the Koala and Glen Eva deposits. GBM tenements in the Mount Coolon Gold Project host known resources currently estimated to contain over 320,000 ounces of gold (see resource table at the end of this report). Whilst GBM also believes that the Mount Coolon Project has significant exploration upside, the Company is targeting near term sustainable gold production from the known resources. To support this Stage 1 infill drilling at the Koala Gold Deposit was completed during the December Quarter, and the Company has commenced stage 2 drilling in January. The Stage 2 programme will comprise a total of 14 diamond drill holes for 862 metres of drilling.

Koala Gold Deposit

Stage 1 drilling comprised 23 drill holes for a total of 1,303 metres of diamond drilling. All results have been received and announced to ASX and further compilation and interpretation is underway. Significant intersections received to date are summarised below (*Full results are listed in table 2 at the end of the ASX announcement dated 20 December 2016*).

Hole ID	Intersection	Gram Metres
KLRD0002	3.5m @ 14.7 g/t from 44m, (incl. 0.9m @ 55.7 g/t Au from 46m)	51.5
KLRD0005	22m @ 2.0 g/t Au from 28m, (incl. 4.7m @ 6.5 g/t Au from 41.3)	44.0
KLRD0018	0.8m @ 44.2 g/t Au from 71.7m	35.4
KLRD0007	3.0m @ 7.1 g/t Au from 25m (incl. 1m @ 19.3 g/t Au from 26m)	21.3
KLRD0018	1.5m @ 12.5 g/t Au from 69.2m	18.8
KLRD0014	4m @ 3.5 g/t Au from 30m (incl. 0.7m @ 16.4 g/t Au from 30.6m)	14.1
KLRD0007	3.8m @ 3.1 g/t Au from 30.2m (incl. 0.8m @ 11.4 g/t Au from 30.2m)	11.8
KLRD0012	2.7m @ 3.9 g/t Au from 67.4m (incl. 1.1m @ 8.6 g/t Au from 67.4m)	10.5
KLRD0020	6m @ 1.7 g/t Au from 51.3m	10.1
KLRD0021	8m @ 1.2 g/t Au from 69m (incl. 0.9m @ 6.7 g/t Au from 71.7m)	9.4

Table: Summary of significant intersections from Phase 1 drilling at Koala Gold Deposit.

The drilling has confirmed the presence of remnant high-grade gold mineralisation in quartz vein and breccia style settings throughout the area tested. This high grade material is hosted within a broader halo of intense silica pyrite mineralisation.

The diamond drilling programme proved to be successful in penetrating the old mine workings on most occasions. Seventy percent of the holes either successfully passed through the old stopes or did not encounter voids from previous mining.

The programme has in-filled previous drilling to approximately 50 metre pattern and will provide increased confidence in the location and extent of old mine workings and has also provided sample material for a range of technical studies. Apart from gold distribution, samples have been dispatched for testing to provide information on metallurgical recoveries, rock strength, and environmental testing.

In addition to the Phase 1 drilling, two holes were drilled under the old Koala Open Pit to provide material for metallurgical testing, geo-mechanical and environmental sampling. Holes were collared at low declinations (around 35 degrees) to intersect the ore horizon within the limit of preliminary open pit designs.

Completion of logging of the Koala diamond hole (KLRD00024) beneath the old Koala Open Pit has confirmed the presence of quartz vein and breccia style settings similar to those observed hosting remnant high-grade gold mineralisation throughout the area tested around the Koala underground workings by Stage 1 drilling.

Analytical results for this drill hole confirmed that the Koala Lode was intersected over a downhole interval of 8.0 metres averaging 3.1 g/t Au (including 1.0 metre interval of 6.5 g/t Au. In addition, a breccia zone a further twenty metres down hole returned an average grade of 12.3 g/t Au over 2.6 metres (including 1.1 metres assaying 24.8 g/t Au.), (*refer ASX announcement 25 January 2017*).

Samples for metallurgical testwork will be selected and submitted as soon as practical. Drill holes KLD0025 and 26 were abandoned due to the difficult locality to the open cut, but will provide useful geotechnical and environmental data.

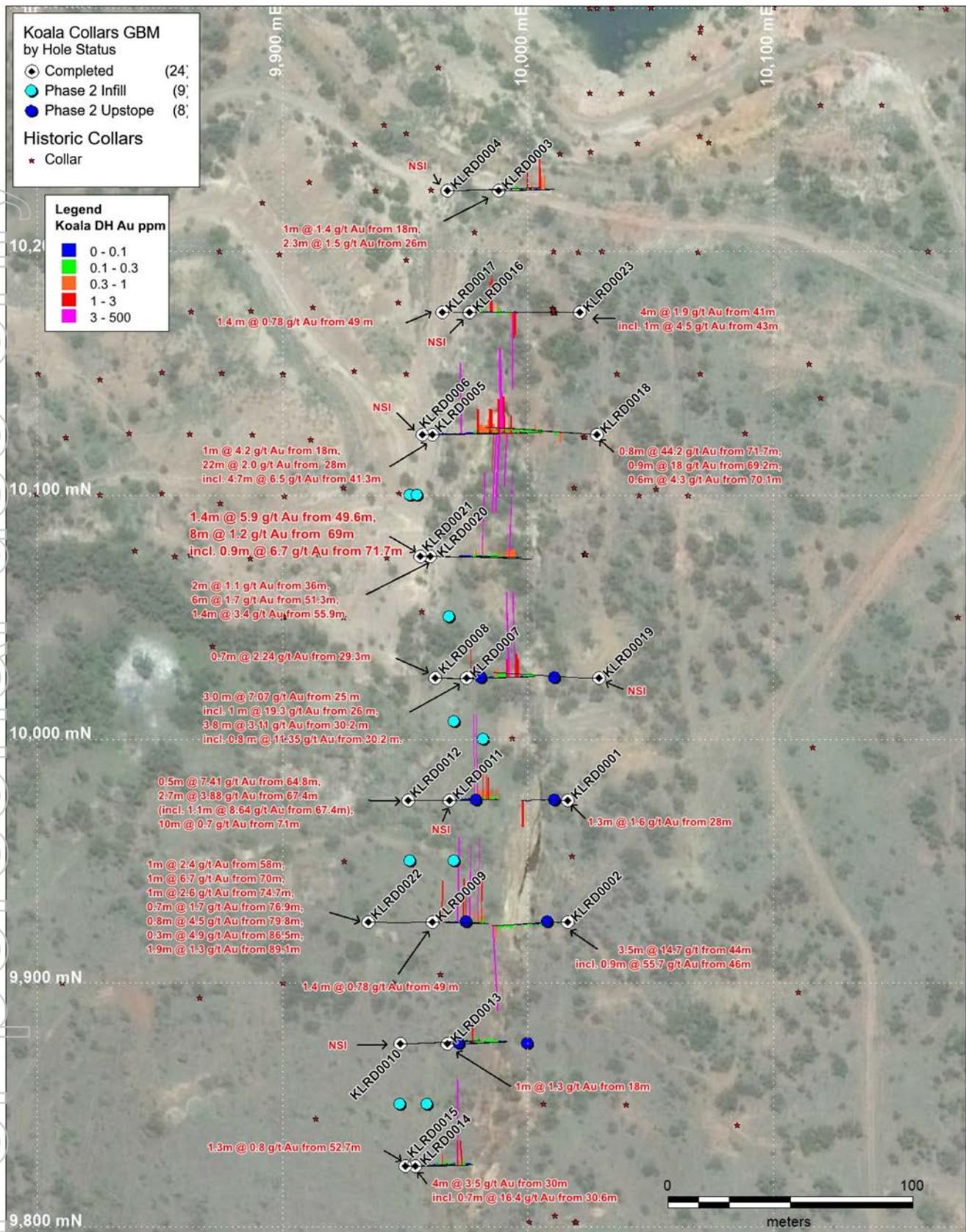


Figure: Koala Phase 1 drill hole plan showing down hole intersections. Proposed holes as part of stage 2 drilling programme shown in pale and dark blue. Grid is a local non-earth grid.

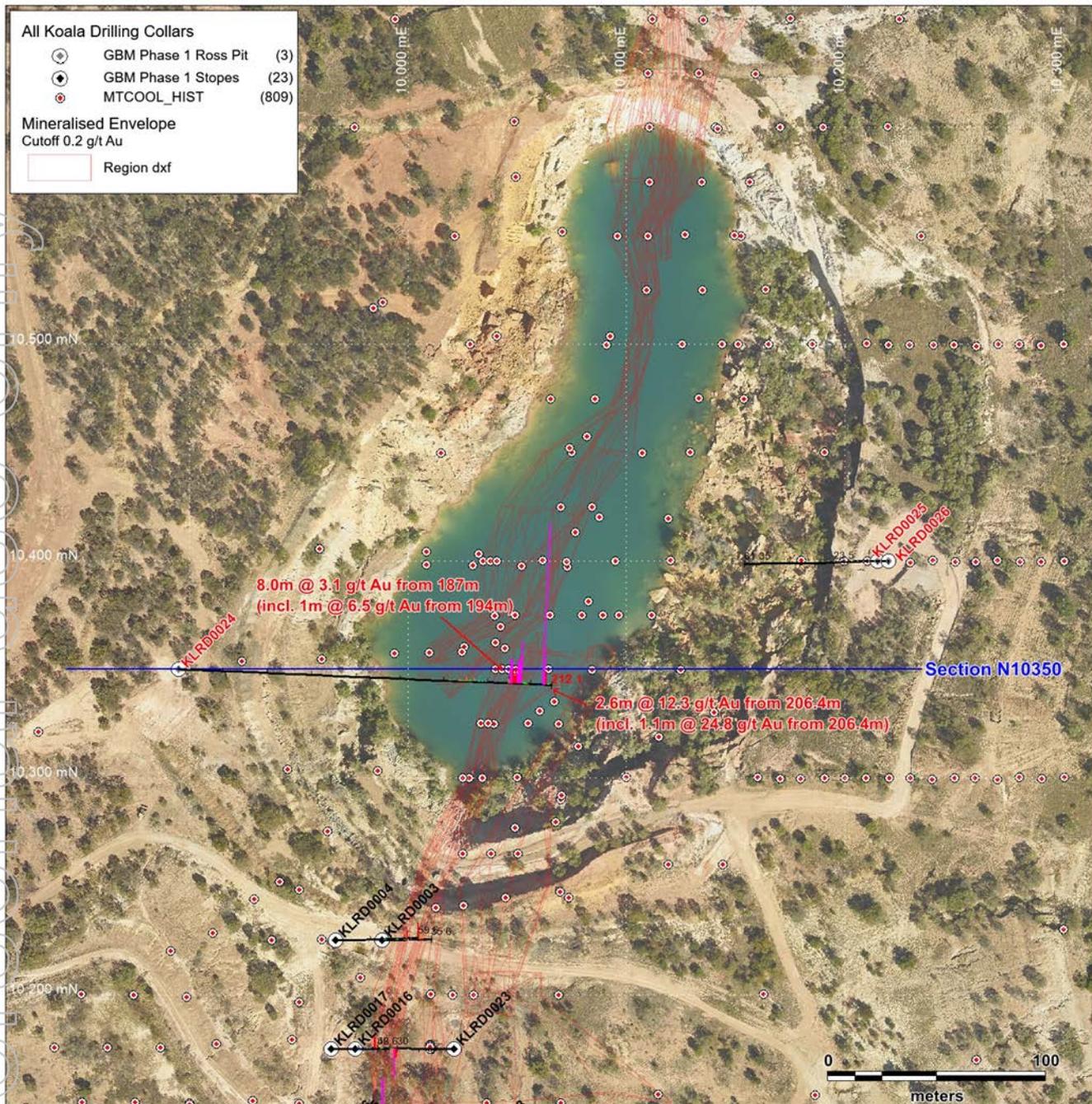


Figure : Koala Open Pit drill hole plan showing down hole intersections. Underlying high resolution image is from 2016 LIDAR survey. Grid is a local non-earth grid.

Glen Eva Gold Deposit

Re-evaluation of the Glen Eva Resource is currently underway as the current resource estimate of 154,000 tonnes at an average grade of 7.5 g/t Au containing 37,200 ounces of gold was based on underground mining methods rather than open cut mining options. The Glen Eva deposit was mined during the 1990's yielding high grade ore from epithermal style gold mineralisation.

Two diamond drill holes (GLD0001&2) completed at Glen Eva Open Pit will provide a range of data and provide mineralised material to confirm descriptions and results from previous drilling at this deposit. Initial observations from these drill holes indicate that extensive areas of epithermal veining have been intersected broadly in line with existing geological and ore models. Assay results are expected during the March Quarter.

Forward Program – Mt Coolon Gold Project

The Company advised in December that it has committed to commencing the stage 2 drilling programme based on a 25 metre pattern for a potential pit area around the old Koala Mine underground workings. This programme remains on track to be completed early in the first quarter of 2017. Following receipt of these results the Koala resource will be re-estimated and detailed mine design commenced.

Re-evaluation of the Glen Eva resource model to reflect open pit mining parameters is progressing and expected to be completed during the March Quarter upon receipt of results from the confirmatory drilling recently completed at Glen Eva. The Company has recently completed two holes to provide sample material and information on the metallurgical, geotechnical and environmental characteristics of the deposit to support possible future mining at Glen Eva.

Also currently planned to commence in January is another round of ecological monitoring of the Koala and Glen Eva mine areas to support environmental assessment of the potential impacts of past and proposed future mining activities.

The company continues to be in discussions with potential contract milling service providers. These ongoing discussions are addressing several options, including toll milling, for treatment of ore in the near term. The metallurgical data now being generated from test work in progress will be critical to advancing these ore processing options.

The Company is targeting end March 2017 to give the go ahead to commence Feasibility Studies for some or all of these gold deposits.

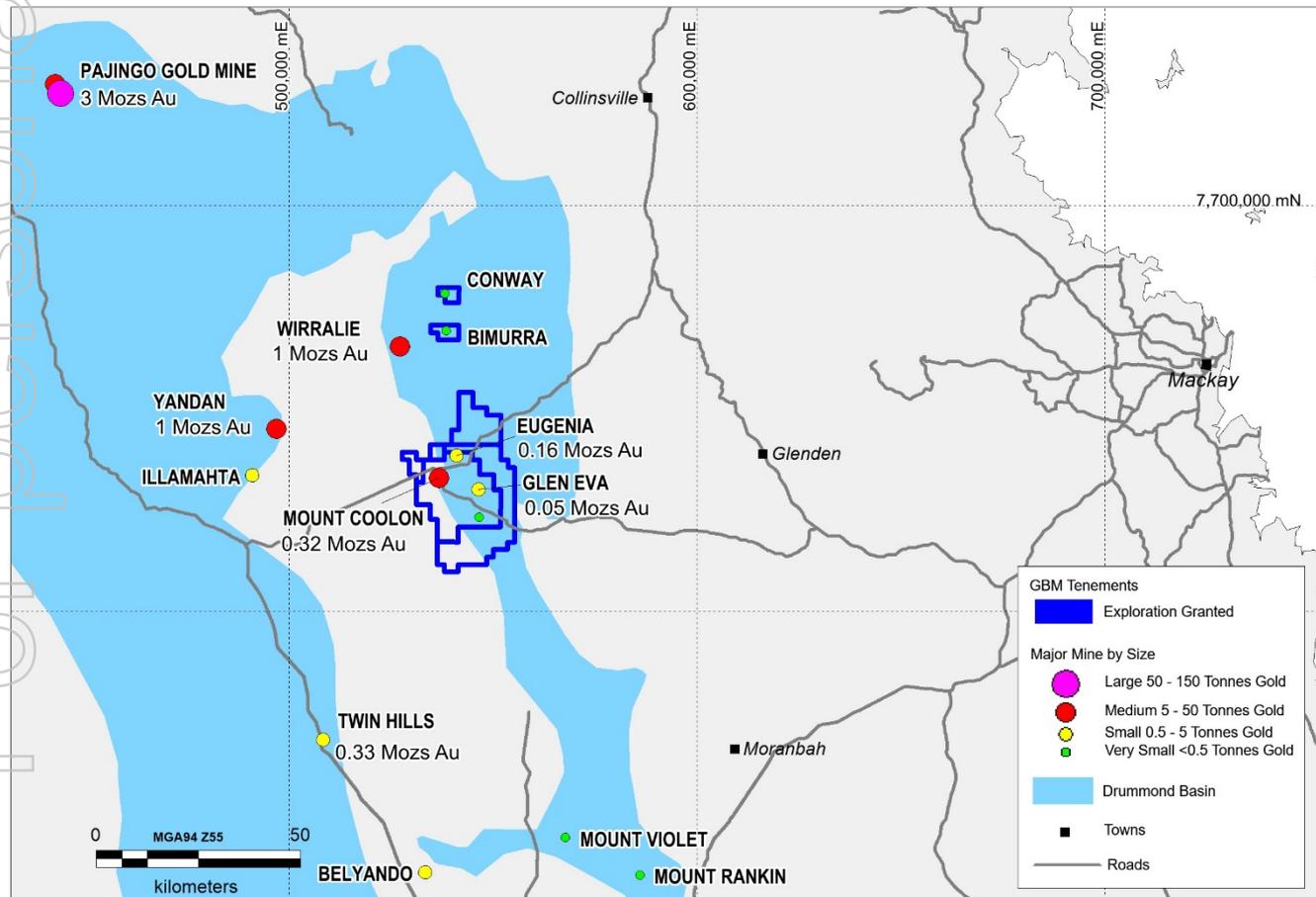


Figure: Mt Coolon project tenement group location plan.

Background to Mount Coolon Project

In January 2015 GBM announced the signing of a binding Share Sale Agreement with Drummond Gold Limited (ASX: DGO) pursuant to which GBM acquired a 100% interest in all of the issued capital of Mt Coolon Gold Mines Pty Ltd. This transaction was completed during April (refer ASX announcement 13 April 2015). The project is located 250km west of Mackay in Queensland in the northern Drummond Basin. The Drummond Basin is an established gold mining region with past production of more than 4.5 Mozs and a total known gold endowment of over 7.5 Mozs of gold. Deposit styles range from bonanza grade epithermal veins (eg. Pajingo 3.0 M ozs) to bulk tonnage intrusive related gold deposits (eg Mt Leyshon 2.1 M ozs).

The tenement package includes four granted Mining Leases, and four granted exploration permits covering a total area of 761 km². Independent review of these tenements has confirmed that all are in good standing and key mining licences have recently been renewed until 2024.

Project	Location	Resource Category									Total			Cut-off
		Measured			Indicated			Inferred			000' t	Au g/t	Au ozs	
		000' t	Au g/t	Au ozs	000' t	Au g/t	Au ozs	000' t	Au g/t	Au ozs	000' t	Au g/t	Au ozs	
Koala	Open Pit				370	2.8	33,500	750	2.1	51,700	1,110	2.4	85,000	0.4
	Underground Extension				50	3	5,100	230	3.9	28,500	280	3.7	33,700	2.0
	Tailings	114	1.6	6,200	9	1.6	400				124	1.6	6,600	1
	Total	114	1.7	6,200	429	2.8	39,000	980	2.5	80,200	1,514	2.6	125,300	
Eugenia	Oxide				1,305	0.9	39,300	219	0.7	5,100	1,524	0.9	44,400	0.4
	Sulphide				2,127	0.9	62,300	1,195	1.2	45,500	3,322	1.0	107,800	0.4
	Total				3,432	0.9	101,600	1,414	1.1	50,600	4,846	1.0	152,200	0.4
Glen Eva	Below pit.				132	7.8	33,200	21	5.9	4,000	154	7.5	37,200	3.0
Total		114	1.7	6,200	3,993	1.4	173,800	2,415	1.7	134,800	6,514	1.5	314,700	

Table; Mount Coolon Gold Project Global Resource Summary updated August 2016. Please note rounding (1000's tonnes, 100's ounces, 0.1 g/t) may cause minor variations to totals. (Refer ASX announcement 23 August 2016).

Mount Isa Region Copper Gold Projects

Pan Pacific Copper Farm-in Projects

Discussions have continued with Pan Pacific Copper (PPC) throughout the quarter with the transition from the partnership with Mitsui Corporation expected to be completed during the March Quarter. A meeting is scheduled with our partners PPC in the March Quarter to discuss a range of issues including the 2017 budget. As noted in the Company's previous reports, the final year of the six year Farm-in Agreement with multinational companies Pan Pacific Copper and Mitsui Corporation was completed during the March Quarter 2016.

Partners Pan Pacific Copper have indicated that they wish to proceed to formal a joint venture to further progress the exploration and development of the tenement areas. PPC have indicated they wish GBM to continue as project managers and a letter confirming agreement to extend the Stage 1 Farm In until arrangements are made for the joint venture was signed by PPC and GBM during April 2016 and has been further extended to 30th of April 2017.

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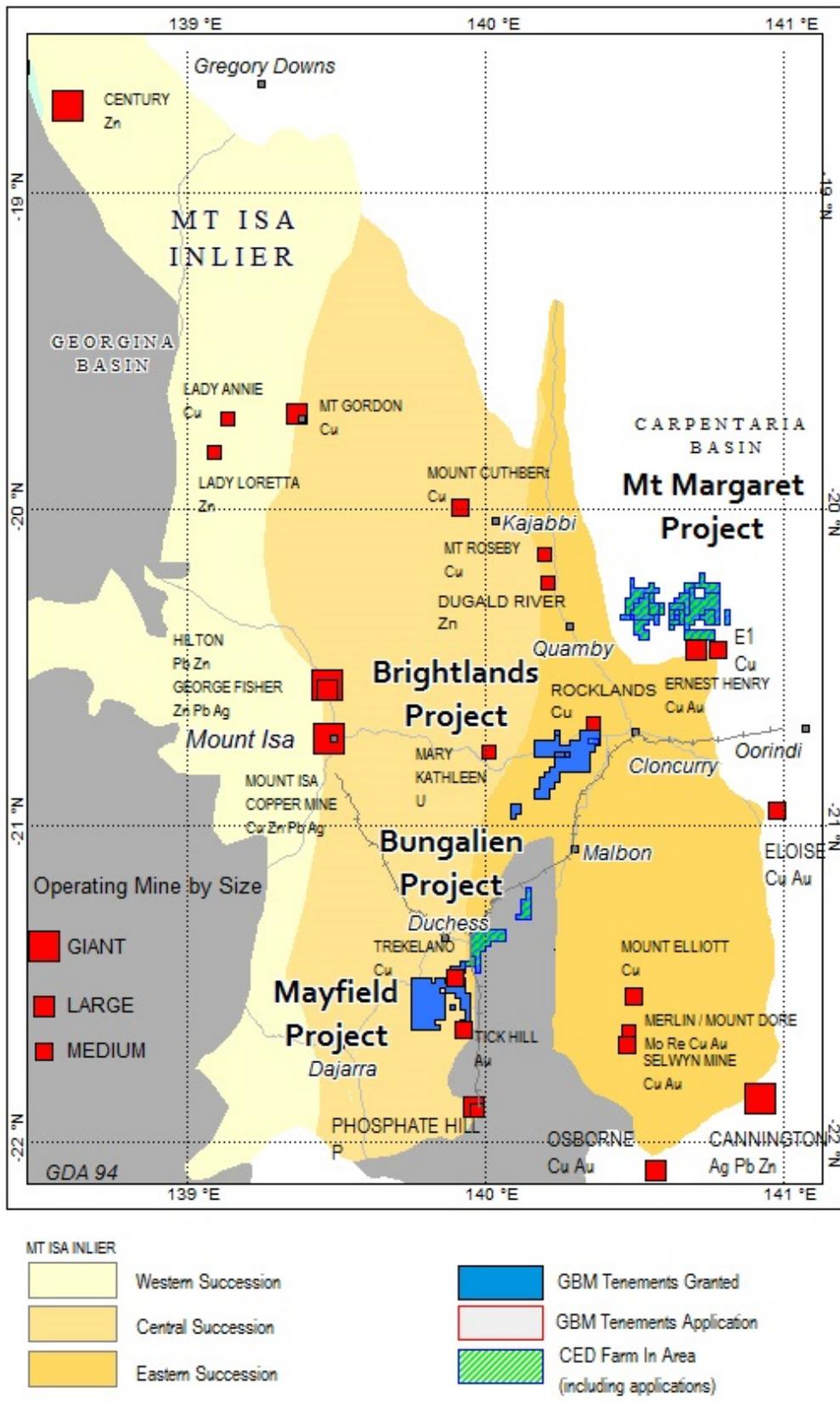


Figure: Location map showing Farm-in Areas.

TENEMENT SUMMARY

Throughout the December quarter reports and payments have been lodged as required. Technical reports continue to be lodged and are up to date and in line with the Department requirements.

Events during the quarter:

- ML10227 was renewed for a further 7 years and now brings it in line with GBM's other Mt Coolon Mine Licences and will now expire on 31 January 2024.
- Corella EPM25545 (PPC farm-in) has been renewed for a further 2 years and will now expire in March 2019.
- Brightlands EPM14416 has also been renewed over a reduced area of 39 sub-blocks and will now expire in August 2019.
- Brightlands West EPM18051 was surrendered in full during the December Quarter.
- The Company surrendered all licences remaining in the Willaura Project (Willaura EL5346 and Lake Bolac2 EL5423) during the December Quarter. The Company is committed to progressing the flagship Mount Coolon Project in Queensland and the Board considered it unlikely that sufficient resources would be available to progress the Willaura Project in the near future.
- A Plan of Operations for Mount Coolon (ML's 1029, 1085, 1086 and 10227) for an eighteen month period was submitted and accepted during the December Quarter. Discussions with the Company's environmental consultants and the Queensland Department of Environment and Heritage Protection relating to the Financial Assurance requirement continued into January 2017.

A financial Assurance determination of \$629,500 was received on 24 January 2017. This is an increase of \$342,716 from the current financial assurance of \$286,748. The assessment is in line with advice received by the company's independent environmental consultants and is required to be secured in the form of a bank guarantee. The Company will undertake a range of environmental monitoring and test-work to support the success of rehabilitation at Mount Coolon and limit any future liability in this area.

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80km2
~3.25km2

sub block

Updated 30-Jan-17

GBM Resources Tenement Summary

Project / Name	Tenement No.	Owner	Manager	Interest	Status	Granted	Expiry	Application Date	Approx Area (km ²)	sub-blocks
Victoria										
Malmsbury										
Belltopper	EL4515	GBMR ^{*1} /Belltopper Hill	GBMR	100%	pending	06-Oct-05	05-Oct-15		25	25
Yea										
Monkey Gully	EL5293	GBMR	GBMR	100%	Granted	23-Mar-11	22-Mar-18		86	86
Queensland										
Mount Morgan										
Dee Range	EPM16057	GBMR	GBMR	100%	Granted	27-Sep-07	26-Sep-18		36	11
Boulder Creek	EPM17105	GBMR	GBMR	100%	Granted	26-Mar-08	25-Mar-17		88	27
Black Range	EPM17734	GBMR	GBMR	100%	Granted	20-May-09	19-May-18		81	25
Smelter Return	EPM18366	GBMR	GBMR	100%	Granted	21-Jun-12	20-Jun-17		98	30
Limonite Hill	EPM18811	GBMR	GBMR	100%	Granted	21-Nov-12	20-Nov-17		241	74
Limonite Hill East	EPM19288	GBMR	GBMR	100%	Granted	31-Oct-13	30-Oct-18		29	9
Mt Hoopbound	EPM18812	GBMR	GBMR	100%	Granted	26-Jul-12	25-Jul-17		23	7
Moonmera	EPM19849	GBMR ^{*3}	GBMR	100%	Granted	12-Apr-13	11-Apr-18		16	5
Mt Victoria	EPM25177	GBMR	GBMR	100%	Granted	26-Aug-14	25-Aug-17		3	1
Bajool	EPM25362	GBMR	GBMR	100%	Granted	27-Nov-14	26-Nov-17		111	34
Mountain Maid	EPM25678	GBMR	GBMR	100%	Granted	09-Apr-15	08-Apr-18		26	8
Mount Isa Region										
Mount Margaret										
Mt Malakoff Ext	EPM16398	GBMR ^{*2} /Isa Tenements	GBMR	100%	Granted	19-Oct-10	18-Oct-20		85	26
Cotswold	EPM16622	GBMR ^{*2} /Isa Tenements	GBMR	100%	Granted	30-Nov-12	29-Nov-17		16	5
Mt Marge	EPM19834	GBMR/Isa Tenements	GBMR	100%	Granted	04-Mar-13	03-Mar-18		3	1
Dry Creek	EPM18172	GBMR ^{*2} /Isa Tenements	GBMR	100%	Granted	13-Jul-12	12-Jul-17		189	58
Dry Creek Ext	EPM18174	GBMR ^{*2} /Isa Tenements	GBMR	100%	Granted	25-Oct-11	24-Oct-18		23	7
Corella	EPM25545	GBMR/Isa Tenements	GBMR	100%	Granted	20-Mar-15	19-Mar-19		59	18
Tommy Creek	EPM25544	GBMR/Isa Tenements	GBMR	100%	Granted	11-Nov-14	10-Nov-18		33	10
Brightlands										
Brightlands	EPM14416	GBMR ^{*2} /Isa Brightlands	GBMR	100%	Granted	5-Aug-05	4-Aug-19		127	39
Brightlands West Ext.	EPM18672	GBMR/Isa Brightlands	GBMR	100%	Granted	16-Jun-16	15-Jun-21		16	5
Bungalien										
Bungalien 2	EPM18207	GBMR ^{*2} /Isa Tenements	GBMR	100%	Granted	24-May-12	23-May-17		120	37
The Brothers	EPM25213	GBMR/Isa Tenements	GBMR	100%	Granted	16-Oct-14	15-Oct-19		10	3
Mayfield										
Mayfield	EPM19483	GBMR ^{*2} /Isa Tenements	GBMR	100%	Granted	11-Mar-14	10-Mar-19		302	93
Mt Coolon										
Mt Coolon	EPM15902	GBMR/MCGM	GBMR	100%	Granted	13-Jun-08	12-Jun-18		325	100
Mt Coolon East	EPM25850	GBMR/MCGM	GBMR	100%	Granted	07-Sep-15	06-Sep-20		260	80
Mt Coolon North	EPM25365	GBMR/MCGM	GBMR	100%	Granted	18-Sep-14	17-Sep-19		146	45
Conway	EPM7259	GBMR/MCGM	GBMR	100%	Granted	18-May-90	17-May-19		39	12
Koala 1	ML 1029	GBMR/MCGM	GBMR	100%	Granted	30-May-74	31-Jan-24		0.7	
Koala Camp	ML 1085	GBMR/MCGM	GBMR	100%	Granted	27-Jan-94	31-Jan-24		0.0	
Koala Plant	ML 1086	GBMR/MCGM	GBMR	100%	Granted	27-Jan-94	31-Jan-24		1.0	
Glen Eva	ML 10227	GBMR/MCGM	GBMR	100%	Granted	05-Dec-96	31-Jan-24		1.3	
									2616.54	
<p>Note ^{*1} subject to a 2.5% net smelter royalty to vendors. ^{*2} subject to a 2% net smelter royalty is payable to Newcrest Mining Ltd. On all or part of the tenement area. ^{*3} subject to 1% smelter royalty and other conditions to Rio Tinto; transfer documents with Department</p>										

Figure: GBM Tenement summary table as at 30th January 2017.

CORPORATE

1. The Company spent a total of AUD\$1,278,000 in the quarter, of which AUD\$985,000 was for exploration and development and AUD\$293,000 for administration costs. Cash at 31 December 2016 was AUD\$2.4 million.
2. During the December quarter the Company completed the issue of 203,391,744 listed options exercisable at 5 cents each and expiring 30 September 2019, pursuant to a non-renounceable entitlement issue.
3. As announced on 18 October 2016, GBM Resources Limited ('GBM' or 'the Company') entered into an AUD\$10 million loan agreement with National Federal Capital Ltd (NFC) (Loan Agreement). Pursuant to the terms of the Loan Agreement, the \$10m was to be provided in two tranches of \$5m each. Tranche 1 was due to be paid on 21 November 2016 whilst Tranche 2 is due to be paid on 28 February 2017.

Part payment of Tranche 1 for AUD\$1.5million was received on 7 December 2016. The balance of Tranche 1 was rescheduled to be received by 13 January 2017. However, the balance of Tranche 1 has not been received and GBM has not provided NFC a further extension to this date.

Accordingly, NFC are in breach under the terms of the Loan Agreement. The Company previously advised on the 21 November 2016 that the Loan Agreement was unconditional and further confirms that it is in compliant with its obligations under the Loan Agreement.

The Company remains in discussions with NFC and is considering its options under the Loan Agreement. The Company will provide a further update once discussions with NFC have been concluded. *Refer ASX announcement 16 January 2017.*

For Further information please contact:

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Explanatory notes:

The information in this report that relates to Exploration Results and Exploration Targets is based on information compiled by Neil Norris, who is a Member of The Australasian Institute of Mining and Metallurgy and The Australasian Institute of Geoscientists. Mr Norris is a full-time employee of the company, and is a holder of shares and options in the company. Mr Norris has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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 Norris consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the respective announcements and all material assumptions and technical parameters underpinning the resource estimates with those 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 been materially modified from the original market announcements.

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

GBM Resources Limited

ABN

91 124 752 745

Quarter ended ("current quarter")

31 December 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(985)	(1,639)
(b) development	-	-
(c) production	-	-
(d) staff costs	(71)	(309)
(e) administration and corporate costs	(225)	(412)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	7
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	7
1.9 Net cash from / (used in) operating activities	(1,278)	(2,347)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(1)	(1)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
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 (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(1)	(1)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares and options	557	3,178
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	(25)	(295)
3.5	Proceeds from borrowings	1,500	1,500
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)	-	-
3.10	Net cash from / (used in) financing activities	2,032	4,383

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,637	355
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,278)	(2,347)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1)	(1)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,032	4,383
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,390	2,390

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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	2,287	1,534
5.2 Call deposits	103	103
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)	2,390	1,637

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	125
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	

Remuneration and fees paid to directors and associates.

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
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	

N/a

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Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	1,500	1,500
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.		

During the December quarter the Company entered into a \$10 million loan agreement with National Federal Capital Limited ('NFC') to fund the initial development of the Mt Coolon gold project (refer ASX announcement 18 October 2016 for details of the loan agreement and proposed drawdown dates). Prior to 31 December 2016 the Company received \$1.5 million pursuant to the agreement.

Subsequent to the end of the December quarter the Company advised ASX that no further funds had been received and that NFC was in breach of the loan agreement. The Company is currently in discussions with NFC and is considering its options under the loan agreement.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	600
9.2 Development	-
9.3 Production	-
9.4 Staff costs	75
9.5 Administration and corporate costs	200
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	875

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	EPM 18051		100%	Nil
	EL5346		100%	Nil
	EL5423		100%	Nil
10.2 Interests in mining tenements and petroleum tenements acquired or increased	None			

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: 31 January 2017

Print name:

Kevin Hart

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.

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