

31 July 2017

**REPORT FOR THE QUARTER ENDED 30<sup>th</sup> June 2017**

**HIGHLIGHTS:**

**Mount Coolon Gold Project**

- The Company has engaged Mining One Consultants to complete a scoping study in conjunction with a range of other specialists, on the Mount Coolon Gold Project. The Scoping Study is scheduled for completion in August.
- The Company appointed mining engineer, Mr Ian Horton, to the newly created role of General Manager of the Mount Coolon Gold Project.
- Gold resource increased at the Glen Eva deposit by 77% to 0.9Mt averaging 2.2 g/t Au containing an estimated 66,000 ounces. Potential exists to extend the Glen Eva Resource along strike and down dip.

**Significant grade zones, including:**

- 24.8m @ 6.2 g/t Au from 100m and
- 24.6m @ 4.8g/t Au from 132m reported earlier this year from GBM drillhole GLD0002 (refer ASX announcement 22 March 2017)
- GBM's Mount Coolon Gold projects global gold Resources has increased to contain an estimated 343,000 ounces of gold.
- The Glen Eva–Eugenia Corridor is considered to have high exploration potential for the discovery of further significant epithermal gold mineralisation.

ASX Code: GBZ

**COMPANY DIRECTORS**

**Peter Thompson**  
 Managing Director/ Executive Chairman

**Neil Norris**  
 Exploration Director – Executive

**Hun Seng Tan**  
 Non- Executive Director

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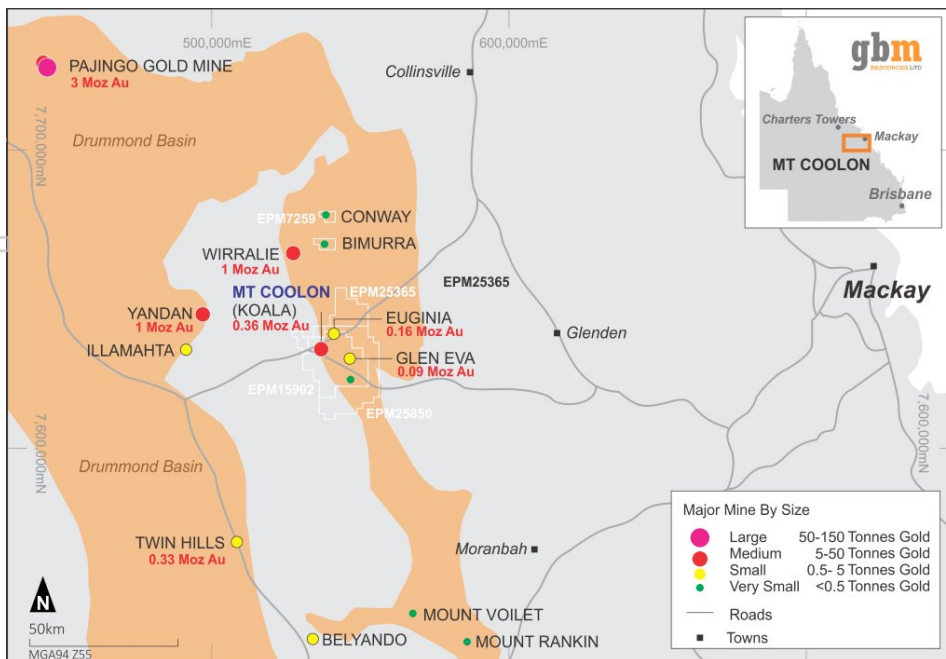


Figure: Mt Coolon project tenement group location plan.



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## **SAFETY AND ENVIRONMENT**

No LTI or environmental incidents were reported during the June Quarter. GBM is committed to continuously improving safety and environment systems with the clear aim of achieving zero harm and have now completed 68 consecutive months with no LTI's and 114 consecutive months with no significant environmental incidents.

## **Gold Projects**

### **Mount Coolon Gold Project, Queensland (100% GBM)**

On the 29<sup>th</sup> of June, the Company announced the appointment of Mr Ian Horton to the newly created role of General Manager of the Mount Coolon Gold Project. Mr Horton is an experienced Mining Engineer with more than 30 years in global senior operations management roles in Australia and overseas. Currently Ian is Principal of Linque Consulting, specialising in operational improvement programmes for a number of mining companies around Australasia.

Mr Horton's commodity experience in gold and base metals in Australia and PNG together with his project skills to direct and manage the development and mining phases of projects will be key to restarting the Company's Mount Coolon Gold Project.

### **Scoping Study**

The Company has also announced (*refer ASX announcement 6 July 2017*) that it has engaged Mining One Consultants to complete a scoping study on the Mount Coolon Gold Project. The study will incorporate the current mineral gold resources of the Eugenia, Koala and Glen Eva deposits which are estimated to contain a combined 343,500 ounces of gold. Process options to be considered will include both on site treatment with a Carbon in Leach gold plant and or toll milling.

The company over the last 12 months has completed a range of studies and field activities to assess the feasibility of recommencing mining at Mount Coolon and has taken the very positive step to move the assessment forward by commissioning the scoping study. The study is scheduled to be completed in August.

Mining One will liaise with a number of experienced specialist consultants in compiling this study including;

- Timora Pty. Ltd. Gold treatment plant design.
- B & S Update Pty. Ltd. Metallurgical characterisation and process.
- Geomodelling Ltd. Resource estimation
- Trevor Clarke & Associates (Aust.) Pty. Ltd. Waste storage facility design.
- AustralAsian Resource Consultants Pty. Ltd. Environmental assessment and monitoring.

In conjunction with the Scoping Study, the Company is developing an exploration strategy to extend the current resource base in the mount Coolon area with the objective of building resources in excess of 1 Million ounces of contained gold.

Activity since acquiring the property has focussed on developing the known resources at Koala, Glen Eva and Eugenia to support options for near term development. With this largely achieved, the Company's exploration team will now begin to focus on increasing the resource base in the highly prospective tenement holding in the Drummond Basin.

### Glen Eva Gold Deposit.

The re-modelling of the Glen Eva Gold Deposit Resource estimate to reflect open pit mining methods, has resulted in a significant 77% increase to **0.93Mt averaging 2.2 g/t Au containing an estimated 66,000 ounces of gold** (refer ASX announcement 1 June 2017). Re-modelling and estimation of the Resource reflects improvements in knowledge of the deposit from recent drilling completed by GBM. In particular, recognition that in addition to the known high-grade epithermal vein style mineralisation, there are broader zones of moderate grade material that could potentially be extracted by open cut mining techniques. Mining of the existing open cut at Glen Eva ceased in 1997 when the gold price was less than USD\$300 per ounce.

The resource has been reported at a cut-off grade of 0.7 g/t Au, however there is significant tonnage of plus 0.5 g/t Au material that may also be of interest subject to treatment costs of any future mining operation at Glen Eva.

Resource Classification	Cutoff (Au g/t)	Tonnes	Au (g/t)	oz
Indicated	0.7	700,000	2.2	48,800
Inferred	0.7	232,000	2.3	17,200
TOTAL	0.7	932,000	2.2	66,000

Table: Summary of Glen Eva Resource.

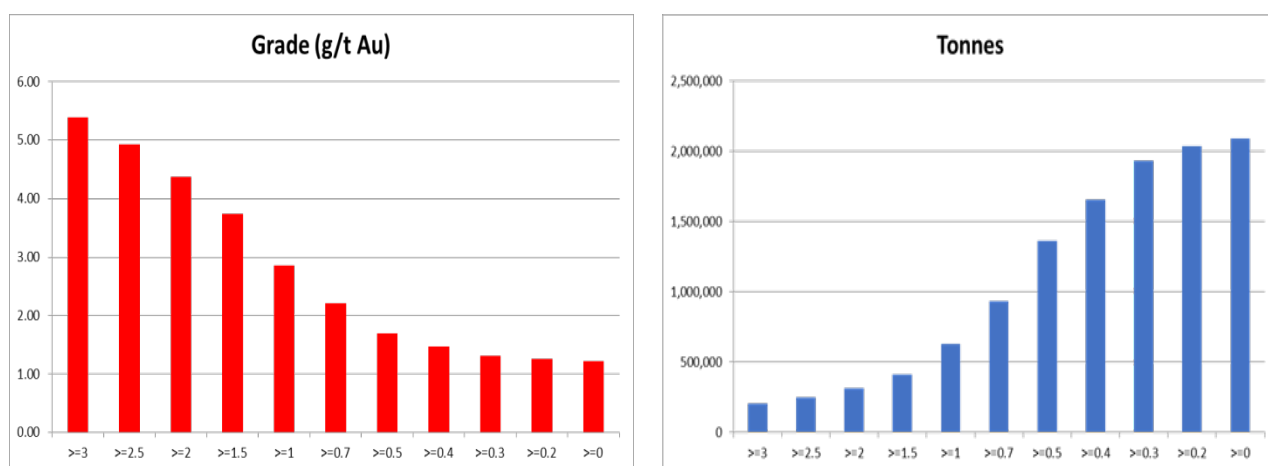


Figure: Graphs showing grade and tonnage curves for various cut-off grades at the Glen Eva Deposit. There is a significant amount of 0.5 g/t to 0.7 g/t Au material in the deposit which may become of interest should lower cost treatment options such as heap leaching options be available.

The previously published Glen Eva Resource (refer to GBM Annual Report 2016) was made under the assumption that mining would be undertaken by underground mining methods. As such, the gold grade domains were interpreted at a much higher nominal grade (1.0 g/t).

This resource estimate has more tonnes at a lower grade, reflecting the different domaining strategy and interpolation method. The new resource estimate is considered more appropriate for open pit mining as it reduces the risk of ore loss due to interpretation errors in a geologically complex environment.

During the estimation process potential to increase the Glen Eva Resource was identified in the following areas:

- strike extensions at the western end of resource; and
- depth extensions of high-grade material potentially amenable to underground mining.

In addition, it was recommended that the Company review exploration data between the Glen Eva pit and the South Eastern Siliceous zone as these two prospects appear to be on the same mineralised trend and there is very little drilling in the 5km between them. This will be addressed as part of a review of the entire 'Glen Eva-Eugenia Corridor' which has a strike extent in excess of 20 kilometres.

The Glen Eva Mining Licence is located within a broader tenement package held by GBM within the Drummond Basin (see figure on the following page). Mineralisation in the Drummond Basin is typified by epithermal style precious metal Deposits. Examples include Pajingo (3.0 Moz), Wirralie (1.1 Moz), Yandan (0.6 Moz) and Koala. Mineralisation is typified by fine grained electrum in quartz veins and or breccias. These Deposits are variously interpreted to have formed in locally extensional jogs or bends of transform fault systems.

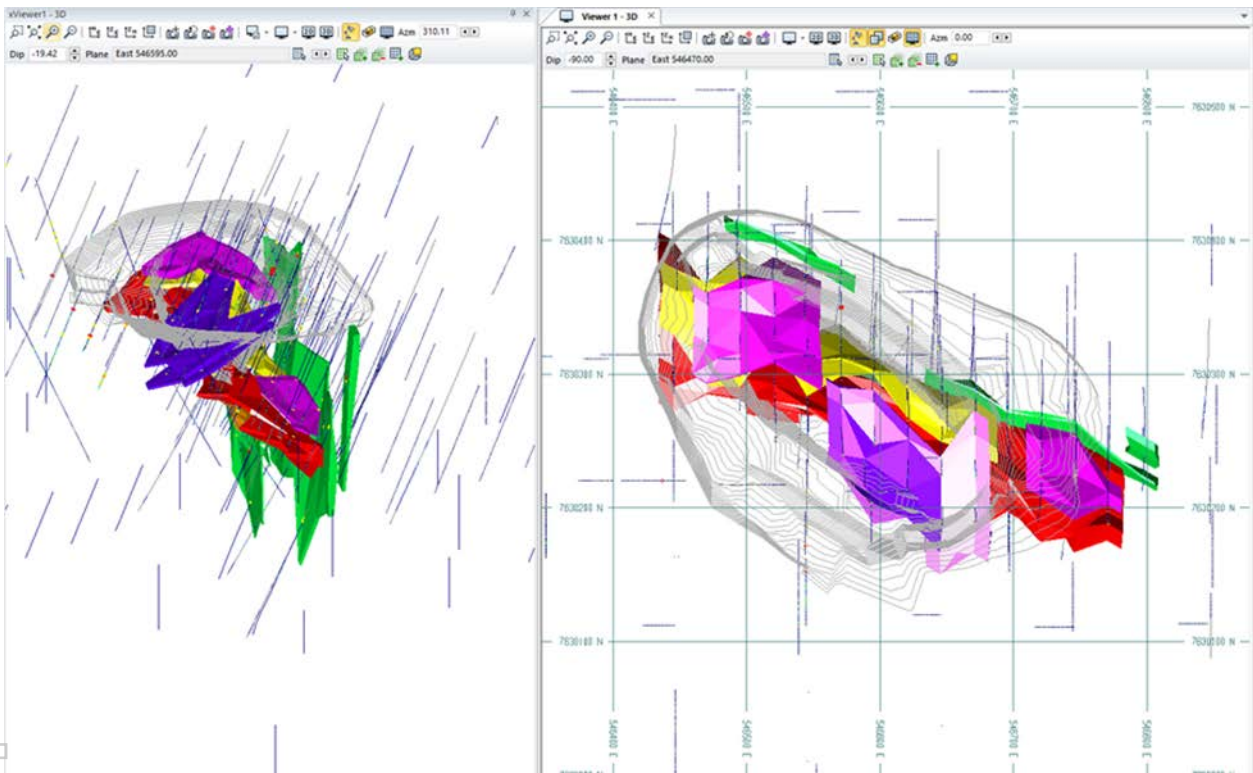


Figure: Gold domains showing domain 50 (steep NW, green), gentle NE dipping domains (1-4) and gentle SW dipping domain (5, dark purple). Left is oblique view looking down to the northwest and right is plan view. The Ross Mining pit wireframe is shown for reference.

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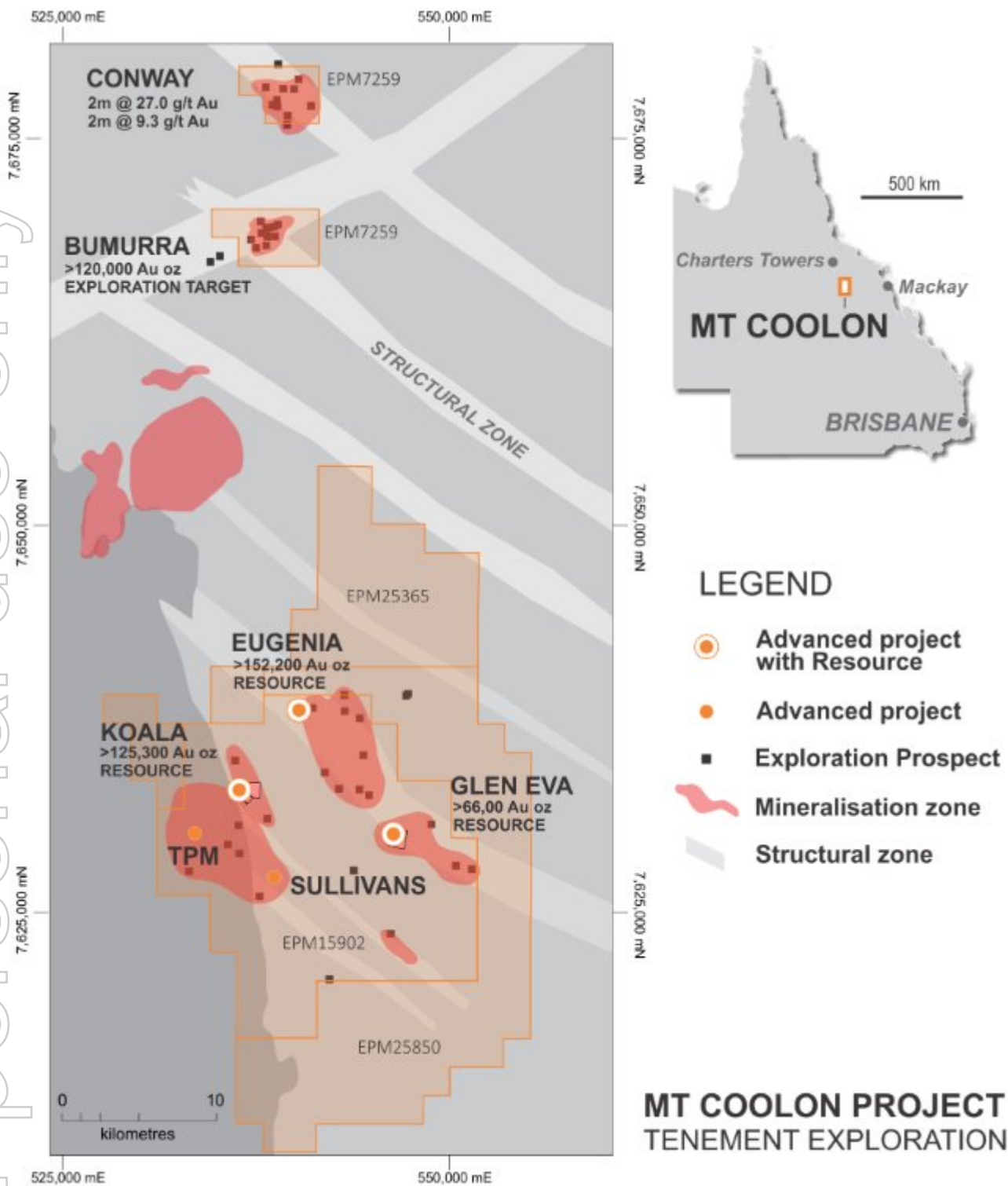


Figure: Mineralised corridors in the Mount Coolon Gold Project area showing the Glen Eva Eugenia Corridor.

### Koala Gold Deposit

The Koala Resource is currently being re-estimated to include results from drilling completed during the first quarter of the 2017 calendar year to increase confidence levels, particularly in areas of the resource adjacent to existing workings. This work is at an advanced stage at the end of the quarter and will be available to support further mining studies being completed as part of the scoping study.

## Koala North Metallurgy

Results from metallurgical tests conducted on mineralisation from the Northern section of the Koala Deposit returned recoveries of up to 93%, consistent with results previously reported from the Central Koala area (see ASX announcement 6<sup>th</sup> of March 2017).

Two composite samples from GBM drill hole KLRD0024 were submitted for metallurgical testwork to AMML Laboratories in Gosford NSW. Testwork included head assays, kinetic leach testing, CIL tests and comminution. The hole was drilled beneath the existing Koala open pit from the west side on section 10350N, just north of the interpreted Sullivans Fault.

The composites were constructed in order to average close to the resource grade of approximately 4 g/t Au. Composite 1 included only quartz vein or 'lode' material and composite 2 was comprised of sericite-pyrite breccia from within the resource grade intersections. Head grade composite assays produced by AMML reported approximately half of the individual composited assays received from ALS by GBM.

Leach tests were conducted over 24 hours with 0.1% initial NaCN solution and 15g activated carbon for the CIL. Leach results for both composites were very good at between 92.5 and 95% recovery for Kinetic and 88.5 to 92% for CIL at the finer of two grinds tested (38 and 75 µm). The fine grind performed better for the vein composite with no significant difference between the grind sizes for the breccia composite. No preg robbing issues were noted for the CIL testwork. Summary leach tables are reproduced below.

Leach Type		Kinetic		CIL	
Grind Size		P <sub>80</sub> = 75µm	P <sub>80</sub> = 38µm	P <sub>80</sub> = 75µm	P <sub>80</sub> = 38µm
Test No.		L1	L2	L5	L6
Gold	Dissolution %	91.6	92.5	89.3	88.5
	Residue g/t	0.17	0.17	0.24	0.31
	Calculated Head g/t	2.01	2.27	2.24	2.70
	Assay Head g/t	1.96	1.96	1.96	1.96
NaCN consumption kg/t		1.05	1.21	1.33	1.27

Table: Koala Quartz sericite breccia composite leach test summary.

Leach Type		Kinetic		CIL	
Grind Size		P <sub>80</sub> = 75µm	P <sub>80</sub> = 38µm	P <sub>80</sub> = 75µm	P <sub>80</sub> = 38µm
Test No.		L3	L4	L7	L8
Gold	Dissolution %	90.4	95.2	89.4	92.0
	Residue g/t	0.22	0.10	0.22	0.16
	Calculated Head g/t	2.28	2.10	2.08	2.01
	Assay Head g/t	2.19	2.19	2.19	2.19
Silver	Dissolution %	93.7	94.5	90.9	95.2
	Residue ppm	0.7	0.5	0.6	1.2
	Calculated Head ppm	11.1	9.0	6.6	25.2
	Assay Head ppm	17.5	17.5	17.5	17.5
NaCN consumption kg/t		0.87	0.95	1.13	1.21

Table : Koala Quartz vein composite leach test summary.

## Forward Program – Mt Coolon Gold Project

The Mount Coolon Gold Project Scoping study will be completed bringing together all aspects of the work completed to date in one coherent document providing a blue print for the future redevelopment of the Mount Coolon goldfield.

Key tasks to be completed as part of the scoping study will include:

- re-optimisation of the Koala, Glen Eva and Eugenia open pit designs based on upgraded resources using inputs derived from recently completed metallurgical testwork, current plant design, geotechnical data from recent drilling:
- Preliminary treatment plant design:
- Mine layout design: and
- Water management plan.

Discussions with potential contract milling service providers will continue in parallel with the scoping study. These ongoing discussions continue 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.

Progress of the Eugenia Resource with drilling to infill the resource model and to provide sample material for metallurgical test work and waste rock characterisation are being planned. Exploration activity, including infill drilling and a maiden resource estimate on the Bimurra Prospect, and drilling along strike of the Glen Eva deposit are also being planned.

## 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 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 773 km<sup>2</sup>. Independent review of these tenements has confirmed that all are in good standing and key mining licences are current 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				
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
	<b>Total</b>	<b>114</b>	<b>1.7</b>	<b>6,200</b>	<b>429</b>	<b>2.8</b>	<b>39,000</b>	<b>980</b>	<b>2.5</b>	<b>80,200</b>	<b>1,514</b>	<b>2.6</b>	<b>125,300</b>	
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
	<b>Total</b>				<b>3,432</b>	<b>0.9</b>	<b>101,600</b>	<b>1,414</b>	<b>1.1</b>	<b>50,600</b>	<b>4,846</b>	<b>1.0</b>	<b>152,200</b>	<b>0.4</b>
Glen Eva	Open Pit				700	2.2	48,800	232	2.3	17,200	932	2.2	66,000	0.7
<b>Total</b>		<b>114</b>	<b>1.7</b>	<b>6,200</b>	<b>4,561</b>	<b>1.3</b>	<b>189,400</b>	<b>2,626</b>	<b>1.8</b>	<b>148,000</b>	<b>7,291</b>	<b>1.5</b>	<b>343,500</b>	

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 1<sup>st</sup> of June 2017).

## Copper Gold Projects

### Pan Pacific Copper Farm-in Projects, Mount Isa Region, Queensland

During the June Quarter a Farm In Agreement Amending Deed was signed with Pan Pacific Copper Co Ltd (PPC). This Deed will support ongoing exploration under a Farm In arrangement while minor changes to the Joint Venture and Management Agreements are finalised.

As noted during the last quarter, PPC have indicated that they wish to proceed to formal a joint venture to further progress the exploration and development of the tenement areas, and that they wish GBM to continue as project managers. A budget of \$430,000 has been agreed and the first cash call has been received. Gravity and IP programmes are scheduled for the September Quarter.

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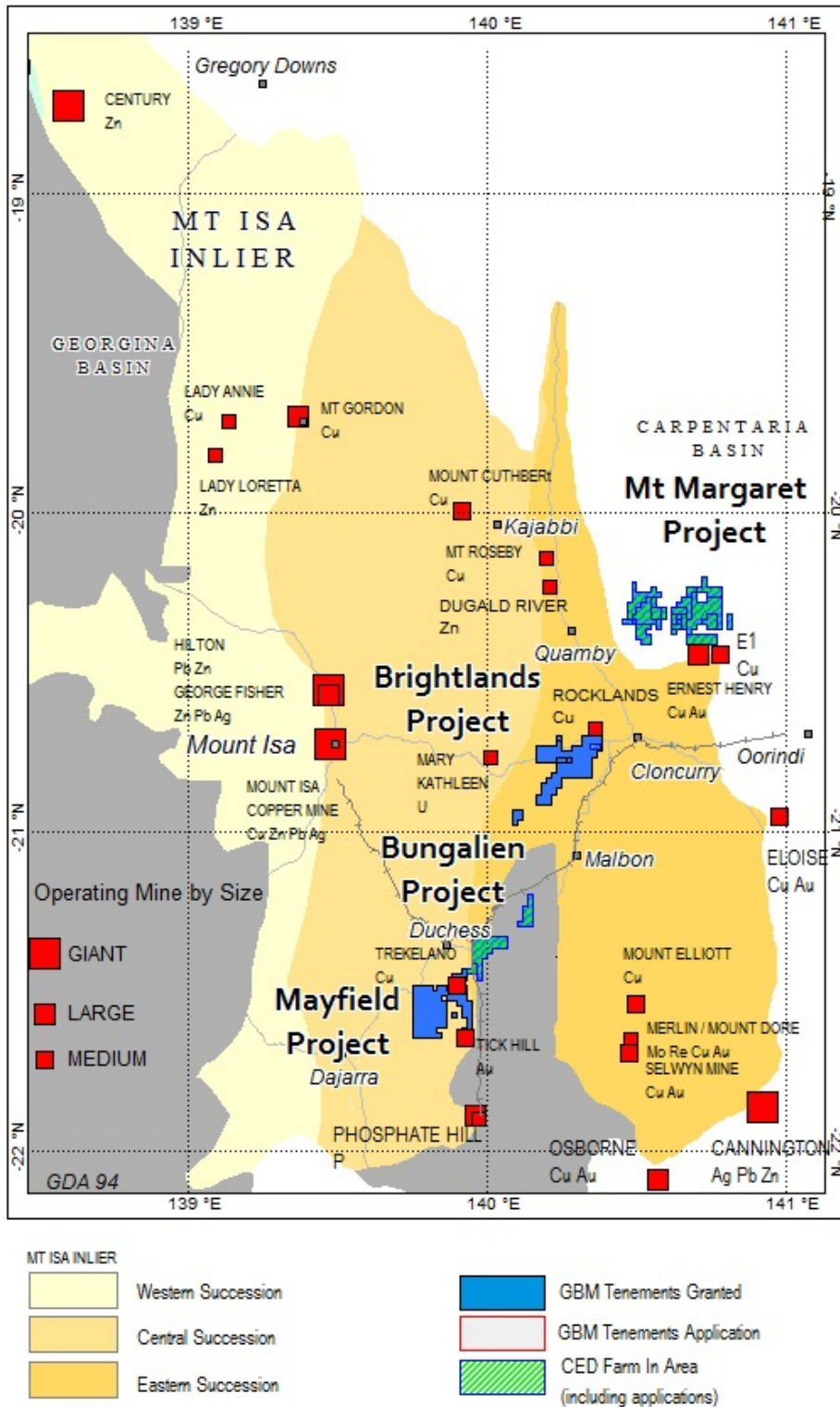


Figure: Location map showing Farm-in Areas.

## TENEMENT SUMMARY

Throughout the June 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, renewals were submitted for EPM's 18812 Mt Hoopbound, 18366 Smelter Return, 18811 Limonite Hill and 25177 Mt Victoria in the Mount Morgan area and for EPM 18172 Dry Creek at Cloncurry.

Project / Name	Tenement No.	Owner	Manager	Interest 31/03/2017	Interest 30/06/2017	Approx Area (km <sup>2</sup> )	sub-blocks	Status
<b>Victoria</b>								
<b>Malmsbury</b>								
Belltopper	EL4515	GBMR* <sup>1</sup> /Belltopper Hill	GBMR	100%	100%	25	25	pending
<b>Yea</b>								
Monkey Gully	EL5293	GBMR	GBMR	100%	100%	86	86	Granted
<b>Queensland</b>								
<b>Mount Morgan</b>								
Dee Range	EPM16057	GBMR	GBMR	100%	100%	36	11	Granted
Boulder Creek	EPM17105	GBMR	GBMR	100%	100%	88	27	Granted
Black Range	EPM17734	GBMR	GBMR	100%	100%	81	25	Granted
Smelter Return	EPM18366	GBMR	GBMR	100%	100%	98	30	Granted
Limonite Hill	EPM18811	GBMR	GBMR	100%	100%	228	70	Granted
Limonite Hill East	EPM19288	GBMR	GBMR	100%	100%	29	9	Granted
Mt Hoopbound	EPM18812	GBMR	GBMR	100%	100%	23	7	Granted
Moonmera	EPM19849	GBMR* <sup>3</sup>	GBMR	100%	100%	16	5	Granted
Mt Victoria	EPM25177	GBMR	GBMR	100%	100%	3	1	Granted
Bajool	EPM25362	GBMR	GBMR	100%	100%	111	34	Granted
Mountain Maid	EPM25678	GBMR	GBMR	100%	100%	26	8	Granted
<b>Mount Isa Region</b>								
<b>Mount Margaret</b>								
Mt Malakoff Ext	EPM16398	GBMR* <sup>2</sup> /Isa Tenements	GBMR	100%	100%	85	26	Granted
Cotswold	EPM16622	GBMR* <sup>2</sup> /Isa Tenements	GBMR	100%	100%	16	5	Granted
Mt Marge	EPM19834	GBMR/Isa Tenements	GBMR	100%	100%	3	1	Granted
Dry Creek	EPM18172	GBMR* <sup>2</sup> /Isa Tenements	GBMR	100%	100%	189	58	Granted
Dry Creek Ext	EPM18174	GBMR* <sup>2</sup> /Isa Tenements	GBMR	100%	100%	23	7	Granted
Corella	EPM25545	GBMR/Isa Tenements	GBMR	100%	100%	59	18	Granted
Tommy Creek	EPM25544	GBMR/Isa Tenements	GBMR	100%	100%	33	10	Granted
<b>Brightlands</b>								
Brightlands	EPM14416	GBMR* <sup>2</sup> /Isa Brightlands	GBMR	100%	100%	127	39	Granted
Brightlands West Ext.	EPM18672	GBMR/Isa Brightlands	GBMR	100%	100%	16	5	Granted
<b>Bungalien</b>								
Bungalien 2	EPM18207	GBMR* <sup>2</sup> /Isa Tenements	GBMR	100%	100%	120	37	Granted
The Brothers	EPM25213	GBMR/Isa Tenements	GBMR	100%	100%	10	3	Granted
<b>Mayfield</b>								
Mayfield	EPM19483	GBMR* <sup>2</sup> /Isa Tenements	GBMR	100%	100%	172	53	Granted
<b>Mt Coolon</b>								
Mt Coolon	EPM15902	GBMR/MCGM	GBMR	100%	100%	325	100	Granted
Mt Coolon East	EPM25850	GBMR/MCGM	GBMR	100%	100%	260	80	Granted
Mt Coolon North	EPM25365	GBMR/MCGM	GBMR	100%	100%	146	45	Granted
Conway	EPM7259	GBMR/MCGM	GBMR	100%	100%	39	12	Granted
Koala 1	ML 1029	GBMR/MCGM	GBMR	100%	100%	0.7		Granted
Koala Camp	ML 1085	GBMR/MCGM	GBMR	100%	100%	0.0		Granted
Koala Plant	ML 1086	GBMR/MCGM	GBMR	100%	100%	1.0		Granted
Glen Eva	ML 10227	GBMR/MCGM	GBMR	100%	100%	1.3		Granted
<b>TOTALS</b>						<b>2474</b>	<b>837</b>	
<b>Note</b>								
* <sup>1</sup> subject to a 2.5% net smelter royalty to vendors.								
* <sup>2</sup> subject to a 2% net smelter royalty is payable to Newcrest Mining Ltd. On all or part of the tenement area.								
* <sup>3</sup> subject to 1% smelter royalty and other conditions to Rio Tinto; transfer documents with Department								

[NN1]

Figure: GBM Tenement summary table as at 30<sup>th</sup> of June 2017.

## CORPORATE

1. The Company spent a total of A\$462,000 in the quarter, of which A\$284,000 was for exploration and project development and A\$184,000 for corporate administration costs. Cash at 30 June was A\$740,000. The Company on 11<sup>th</sup> July received a further \$963,000 from the completed sale of its tradeable ordinary shares in Anchor Resources Pte Ltd (Anchor), (*refer ASX announcement 11 July 2017*). The Company still holds an investment of 17,610,618 shares in Anchor which are subject to a trading restriction until 17 September 2017.
2. On 4 April 2017 the Company issued 50,000,000 ordinary fully paid shares to National Federal Capital (NFC) pursuant to a Deed of Settlement, Termination and Release (*refer ASX announcement 31 March 2017*) in full satisfaction of a \$1,500,000 loan provided by NFC to the Company.

### For Further information please contact:

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Karen Oswald  
Marko Communications  
Tel: 0423 602 353

### References.

### Explanatory notes:

*The information in this report that relates to Exploration Results and Mineral Resources 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")**

30 June 2017

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	-	-
1.2 Payments for		
(a) exploration & evaluation	(284)	(2,985)
(b) development	-	-
(c) production	-	-
(d) staff costs	(71)	(431)
(e) administration and corporate costs	(113)	(652)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	9
1.5 Interest and other costs of finance paid	-	(2)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (incl. farm-in management fee)	5	25
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(462)</b>	<b>(4,036)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(1)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets – bonds/deposits	(343)	(343)

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	6
	(b) tenements (see item 10)	-	-
	(c) investments	387	387
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	(150)
2.4	Dividends received (see note 3)	-	-
2.5	Farm-in partner exploration contributions	38	146
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>82</b>	<b>45</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares and options	-	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	(7)	(302)
3.5	Proceeds from borrowings	-	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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(7)</b>	<b>4,376</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	1,127	355
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(462)	(4,036)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	82	45
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(7)	4,376
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>740</b>	<b>740</b>

<b>5. 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	637	1,024
5.2 Call deposits	103	103
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>740</b>	<b>1,127</b>

<b>6. Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
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.

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

<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	200
9.2 Development	-
9.3 Production	-
9.4 Staff costs	75
9.5 Administration and corporate costs	175
9.6 Other (provide details if material)	-
<b>9.7 Total estimated cash outflows</b>	<b>350</b>

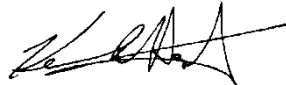
<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	none			
10.2 Interests in mining tenements and petroleum tenements acquired or increased	none			

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**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 July 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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