

## QUARTERLY ACTIVITIES REPORT JUNE 2018

### Major Resource upgrade, maiden 200,000oz Ore Reserve and outstanding Feasibility Study results put EganStreet on track to develop the high-grade Rothsay Gold Project, WA

#### HIGHLIGHTS

- > **Positive Definitive Feasibility Study (“DFS”) confirms the technical and economic viability of EganStreet’s 100%-owned Rothsay Gold Project in WA, with key highlights including:**
  - > Maiden start-up Ore Reserve of 1.4Mt at 4.4g/t Au for 200,000oz of gold
  - > High-grade, processing 1.2Mt at 6.9g/t for gold production of 250,000oz over an initial 6.5-year mine life
  - > Undiscounted pre-tax project cash-flow of \$100 million<sup>1,2</sup> from revenue of \$414 million<sup>3</sup>
  - > Estimated cash cost (C1) of A\$941/oz and all-in sustaining cost (AISC) of A\$1,083/oz<sup>4</sup>
  - > Capital payback within 1.5 years of production
  - > Pre-tax NPV<sub>5%</sub> of \$80.4 million and IRR of 57% based on a A\$1,700/oz gold price
- > **Substantial increase in the Mineral Resource Estimate (MRE) at the 100%-owned Rothsay gold project in WA’s Midwest to 401koz, comprising:**
  - > A 31% increase in the total Mineral Resource to 1.42Mt<sup>5</sup> at 8.8g/t Au for 401koz;
  - > A 45% increase in Indicated Resource, to 0.82Mt at 9.3g/t Au for 246koz, available for conversion to Ore Reserves; and
  - > A 13% increase in Inferred Resource to 0.60Mt at 8.0g/t Au for 155koz.
- > **The Resource upgrade followed successful in-fill, extensional and regional drilling programmes which returned numerous high-grade intercepts from the Woodley’s, Woodley’s East and Miners Shears. A new phase of extensional drilling is due to commence in early August.**
- > **Ore sorting test work programmes conducted by TOMRA in Sydney confirmed the potential of ore sorting using X-ray transmission (XRT) technology to successfully separate the gold-bearing quartz from the ultramafic hanging wall and mafic footwall underground material at Rothsay – significantly enhancing the project’s economic outcomes.**
- > **Appointment of two experienced executives to fill the key senior management positions of General Manager – Rothsay and Project Manager – Rothsay.**
- > **PCF Capital appointed as financial advisor to secure project finance.**
- > **As at 30 June 2018, EganStreet had cash reserves of \$11.5M.**

<sup>1</sup> All Dollars are Australian Dollars unless otherwise specified.

<sup>2</sup> Both NPV and cash-flow are pre-tax, this applies for the entire document.

<sup>3</sup> Based on US\$1,275 gold price and A\$: US\$ exchange rate of 1.00: 0.75.

<sup>4</sup> Cash Cost (C1) = mining, processing, site services & administration costs. AISC = Cash Cost (C1) + royalties + sustaining capital costs but excludes exploration and corporate costs. This applies for the entire announcement.

<sup>5</sup> Note totals may not match due to rounding

## OVERVIEW

EganStreet Resources Limited (EganStreet, ASX: EGA) made further substantial progress during the June Quarter towards its objective of becoming a new high-grade gold producer at its flagship 100%-owned **Rothsay Gold Project**, located 300km north-east of Perth in WA's Midwest region (Figure 1).

The major focus of activity was the completion of the Definitive Feasibility Study (DFS) on the Rothsay Project. The DFS was announced to the market on 19 July, with the results confirming the potential for a new low-cost, high-margin Australian gold project capable of delivering strong financial returns for shareholders.

The DFS was based on the updated Mineral Resource Estimate for the Rothsay Project announced in May 2018, which resulted in a 31% increase in contained ounces to 401,000oz. The updated MRE, comprising **1.42 million tonnes at 8.8g/t Au**, stems from a combination of successful in-fill and extensional drilling completed since the last Mineral Resource update announced on 4 December 2017.

The Company also maintained a strong focus on exploration with a 59-hole regional RC programme underway and a further 42-hole diamond and RC extensional programme scheduled to begin in early August targeting potential extensions immediately south of the Woodley's and Woodley's East deposits.

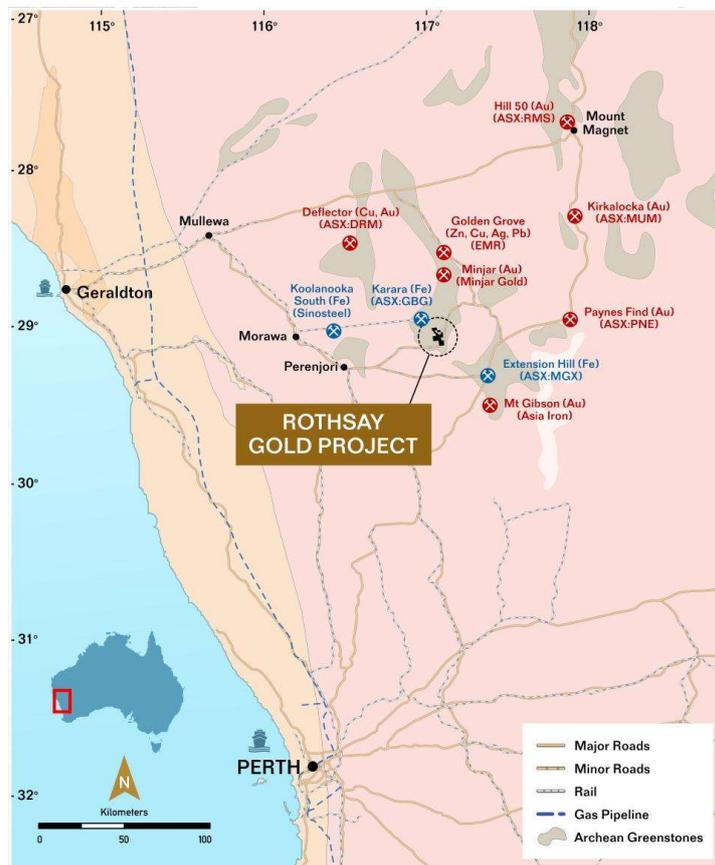


FIGURE 1 – ROTHSAY GOLD PROJECT, REGIONAL LOCATION

## DEFINITIVE FEASIBILITY STUDY

The DFS confirmed that the Rothsay Project is financially and technically viable based on the previously announced redevelopment strategy targeting unmined fresh material which can be accessed via an existing decline (see ASX announcement, 19 July: "Rothsay DFS Confirms Low Capex High-Margin Operation").

The DFS builds on the Pre-Feasibility Study (PFS) completed in May 2017, delivering a 25% increase in projected gold production to 250,000oz over an initial 6.5-year mine life, with increased average annual production of 53,000ozpa over the first four years.

Together with a 22% increase in undiscounted pre-tax project cash-flow to \$100 million, the DFS demonstrates that the Rothsay Project has the potential to generate strong cash-flows underpinned by high-grade, high-margin gold production.

The DFS is based on processing 1.2Mt at an average grade of 6.9g/t Au for approximately 250,000oz of gold production (up from 936,000t at 7.0g/t Au for 200,000oz in the May 2017 PFS).

Forecast life-of-mine (LOM) cash costs C1 are A\$941/oz and all-in sustaining costs (AISC) are A\$1,083/oz.

The proposed 6.5-year LOM production target contains material from both the Indicated and Inferred Resource categories. The majority of the production target (73% of ounces) is sourced from Indicated Resources with the remaining (27% of ounces) drawn from Inferred Resources.

With a low initial capital expenditure of \$36.1M the Rothsay Gold Project delivers a Net Present Value using a 5% discount rate of \$80.4 million and has an estimated capital payback period of less than 1.5 years. A gold price of US\$1,275/oz and an exchange rate (USD: AUD) of 75 cents (A\$1,700/oz gold price) has been assumed for the DFS.

The Rothsay Gold Project benefits from the existing infrastructure that is in place, this includes; portal and decline development to 142m below surface, an existing tailings storage facility, borefields and a fully maintained road network to the mine gate entrance.

Gold produced over the first four years averages 53,000ozpa (peaking at 60,000ozpa), which equates to \$30 million of free cash flow per year.

The key outcomes of the DFS are summarised in Tables 1 and 2 below:

TABLE 1 – KEY PHYSICALS

		Total	Pre- Production	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
<b>Mining Production Physicals</b>									
Development Ore Mined	kt	995	47	322	301	199	126	-	-
Development Ore Grade	g/t Au	2.5	2.9	2.8	2.5	2.6	1.8	-	-
Stope Ore Mined	kt	1,079	20	271	294	282	212	-	-
Stope Ore Grade	g/t Au	5.7	4.3	6.3	5.6	5.6	5.2	-	-
<b>Total Ore Mined</b>	kt	<b>2,073</b>	67	592	595	481	338	-	-
<b>Mined Grade</b>	g/t Au	<b>4.2</b>	3.3	4.4	4.0	4.3	3.9	-	-
<b>Contained Ounces</b>	koz	<b>278</b>	7	83	77	67	43	-	-
<b>Processing Physicals</b>									
Ore Processed	kt	1,185	50	200	200	200	200	200	135
Concentrate Grade	g/t Au	6.9	4.3	9.9	8.9	8.8	7.2	3.5	2.4
Contained Ounces	kt	265	7	64	57	57	47	23	10
Recovery	%	94.5%	94.5%	94.5%	94.5%	94.5%	94.5%	94.5%	94.5%
<b>Ounces Produced</b>	koz	<b>250</b>	7	60	54	54	44	21	10

**TABLE 2 – KEY PROJECT STATISTICS**

<b>Material in Mine Plan</b>	<b>Tonnage (kt)</b>	<b>Grade (g/t Au)</b>	<b>Contained Metal (Au koz)</b>
Indicated Resources	1,206	5.2	201
Inferred Resources	509	4.6	76
Unclassified Waste	357	0.0	0
<b>Total (Totals may not add due to rounding)</b>	<b>2,073</b>	<b>4.2</b>	<b>278</b>

<b>Material Processed</b>	<b>Tonnage (kt)</b>	<b>Grade (g/t Au)</b>	<b>Contained Metal (Au koz)</b>
<b>Ore Processed (Post Ore Sorter)</b>	<b>1,185</b>	<b>6.9</b>	<b>265</b>

<b>Initial Capital Costs</b>	<b>A\$m</b>
Process Plant	24.3
Non Process Infrastructure	3.0
Other Owners Costs	5.1
Contingency	3.7
<b>Total Initial Capital</b>	<b>36.1</b>

<b>Production Summary</b>		
Initial LOM	Years	6.5
<b>Gold Production</b>	Ounces	<b>250,047</b>
Average LOM Metallurgical Recovery	%	94.5

<b>Project Economics</b>		
Base Case gold price	US\$/oz	1,275
Exchange Rate	A\$:US\$	1.00 : 0.75
<b>Revenue</b>	<b>A\$m</b>	<b>413.9</b>
Cash Cost (C1)	\$/oz	941
<b>All In Sustaining Cost (AISC)</b>	<b>\$/oz</b>	<b>1,083</b>
<b>Free Cashflow</b> <small>Pre-Tax</small>	<b>A\$m</b>	<b>100.2</b>
NPV <small>5% Pre-tax</small>	A\$m	80.4
IRR <small>Pre-Tax</small>	%	57
Payback	Years	1.5

## ORE RESERVE

The maiden Ore Reserve for the Rothsay Project has been estimated by Entech, and is summarised below:

**TABLE 3 – ROTHSAY ORE RESERVE**

<b>Reserve Category</b>	<b>kt</b>	<b>Grade (g/t Au)</b>	<b>Contained Metal (Au koz)</b>
Proved	-	-	-
Probable	1,400	4.4	200
<b>Total</b>	<b>1,400</b>	<b>4.4</b>	<b>200</b>

*The Ore Reserve has been estimated using the DFS assumptions (detailed in the ASX announcement of 19 July) except for a de-rated gold price of \$A1,600/oz, and is based upon Indicated Mineral resources only.*

## MAY 2018 MINERAL RESOURCE UPGRADE

During the Quarter, the Company announced an increase in the Rothsay Mineral Resource Estimate (MRE) to 1.42Mt @ 8.8g/t Au for 401koz (refer ASX announcement, 14 May 2018: "Rothsay Resource Jumps 31% to 401,000 Ounces").

The May 2018 MRE, which was independently estimated by Cube Consulting Pty Ltd, incorporates the results of the Reverse Circulation (RC) and diamond drilling programmes completed between October 2017 and March 2018, which consisted of 62 holes for 6,411m of RC and 26 holes for 9,159m of diamond core.

The total Rothsay MRE increased to **1.42Mt @ 8.8g/t Au for 401koz** (an increase of 31% from the previous MRE of 880kt @ 10.9g/t Au for 307koz). Importantly, the Indicated portion of the Mineral Resource, which is available for conversion to Ore Reserves, increased by 76koz or **45% to 0.82Mt @ 9.3g/t Au for 246koz** (from 0.46Mt @ 11.5g/t Au for 170koz).

The Inferred portion of the Mineral Resource increased by **13% to 0.60Mt @ 8.0g/t Au for 155koz** (from 0.42Mt @ 10.2g/t Au for 137koz).

Recent exploration drilling programmes have intersected two zones of mineralisation which now form part of the MRE, these being in the hanging wall of Woodley's East (Woodley's East HW), totaling 160kt at 4.3g/t Au for 22koz.

These two lenses, which are parallel to the Woodley's and Woodley's East Shears, are located in close proximity to Woodley's East. The DFS completed subsequent to Quarter-end demonstrated that these zones can be profitably mined as part of the DFS Production Target.

The new zones sit approximately 10m and 20m (respectively) to the east of the Woodley's East Shear.

The May 2018 Mineral Resource estimate for the Rothsay Gold Project is set out in Table 4 below:

TABLE 4 – MAY 2018 MINERAL RESOURCE ESTIMATE (AS PER JORC CODE 2012)

Lode	Indicated			Inferred			Total		
	Tonnes (kt)	Grade (g/t Au)	Ounces (koz)	Tonnes (kt)	Grade (g/t Au)	Ounces (koz)	Tonnes (kt)	Grade (g/t Au)	Ounces (koz)
Woodley's	630	10.6	213	240	10.6	83	870	10.6	296
Woodley's East	190	5.3	33	160	9.1	45	350	6.9	78
Woodley's East HW				160	4.3	22	160	4.3	22
Other				40	3.3	5	40	3.3	5
<b>Total<sup>6</sup></b>	<b>820</b>	<b>9.3</b>	<b>246</b>	<b>600</b>	<b>8.0</b>	<b>155</b>	<b>1,420</b>	<b>8.8</b>	<b>401</b>

Long projections illustrating the MRE boundaries on Woodley's and Woodley's East Shears are shown in Figure 2 and Figure 3 respectively.

<sup>6</sup> Note Resources quoted above 2.5g/t Au lower cut-off.

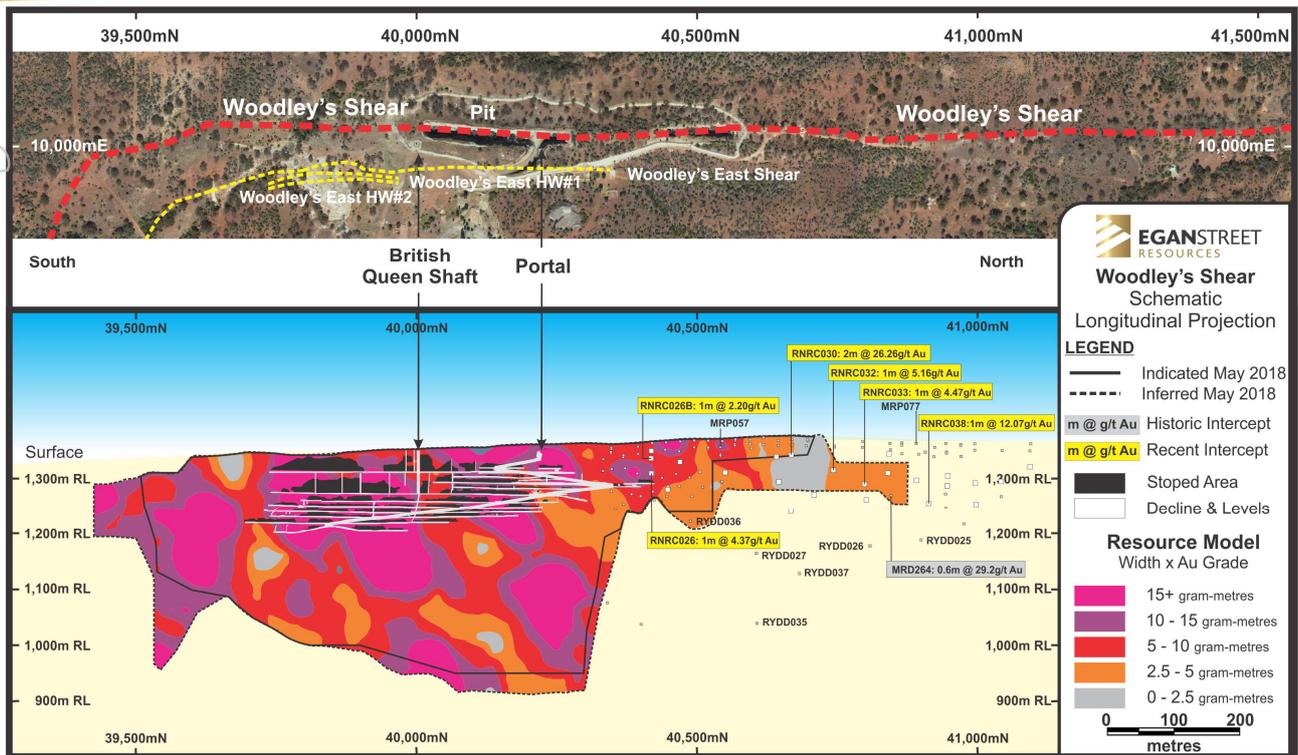


FIGURE 2 – WOODLEY'S SHEAR PROJECTION SHOWING MRE BOUNDARIES AND GRAM-METRES CONTOUR

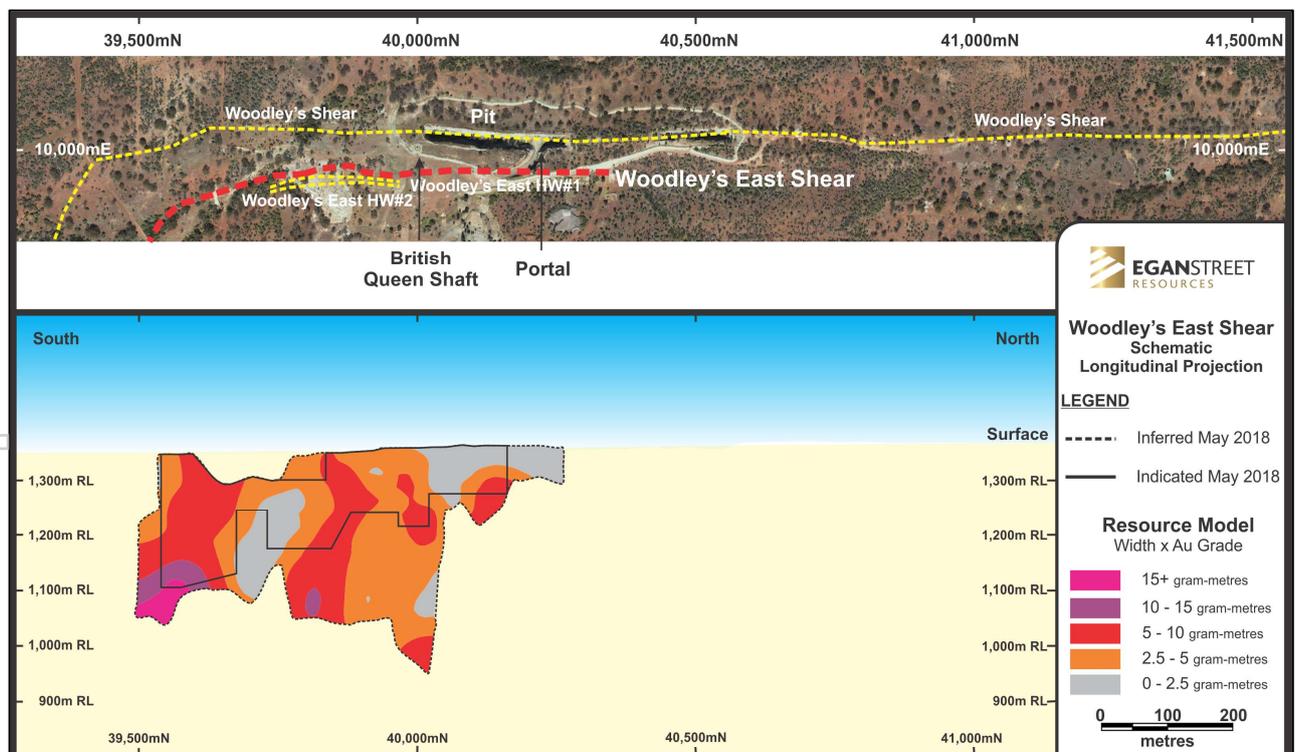


FIGURE 3 – WOODLEY'S EAST SHEAR PROJECTION SHOWING MRE BOUNDARY AND GRAM-METRES CONTOUR

## INFILL, EXTENSIONAL AND REGIONAL DRILLING RESULTS

During the Quarter, the Company reported high-grade results from recently completed in-fill and extensional diamond drilling at the key Woodley's and Woodley's East Shears (see ASX announcement, 11 April 2018: "More High-Grade Hits at depth at Woodley's East").

Subsequent to Quarter-end, the Company reported further high-grade results from regional drilling conducted outside the current Rothsay Resource in the upper zone of the Woodley's northern extension and the Miners Shear (see ASX announcement, 11 July: "High-Grade Results from Regional Drilling at Rothsay").

The significant intersections are reported in Table 5 below. The "RYDD" holes have been incorporated in the May 2018 MRE detailed above, however the RNRC and MWRC holes were completed following the Mineral Resource Estimate. Significantly, drilling on RNRC030, 032, 033 & 038 together with the historical diamond hole MRD264, have delineated a 200m northerly plunging line of mineralisation on the northern extension of the Woodley's Shear (see Figure 2 above), demonstrating the open nature of Woodley's Shear along strike.

TABLE 5 – SIGNIFICANT INTERSECTIONS & RESULTS

Hole ID	Location	From (m)	To (m)	Length (m)	Grade g/t Au
RYDD064	Woodley's UM	409.55	411.4	1.85	13.46
RYDD057	Woodley's East Shear	309	310	1.0	22.31
RYDD062	Woodley's East Shear	310.5	311.4	0.9	30.93
RYDD065	Woodley's East Shear	232.6	233.35	0.75	10.02
RYDD062	Woodley's East HW	259.85	260.15	0.3	10.35
RYDD065	Woodley's East HW	198.85	201.25	2.4	8.19
RYDD065	Woodley's East HW	212.8	213.2	0.4	15.02
RNRC026	Woodley's Shear	61	62	1	4.37
RNRC033	Woodley's Shear	96	97	1	4.47
RNRC032	Woodley's Shear	67	68	1	5.16
RNRC026B	Woodley's Shear	39	40	1	2.20
RNRC038	Woodley's HW	133	134	1	12.07
RNRC030	Woodley's Ultramafic	25	27	2	6.47
RNRC030	Woodley's Shear	33	35	2	26.26
MWRC009	Miners Shear	50	51	1	12.28

EganStreet is continuing to explore for additional high-grade gold discoveries within the Rothsay Gold Project tenement package.

Immediate opportunities to grow the high-grade Resource and Reserve inventory exist to the south of the current Ore Reserve.

A 4,000m diamond drilling programme which forms part of a broader 6,700m RC and diamond drilling programme is scheduled to commence in early August 2018 to test for extensions to the south on both Woodley's and Woodley's East Shear. The Company has not been able to target these down-plunge extensions due to mining tenement conditions that previously restricted drilling in this part of the tenement.

Importantly, the Woodley's Shear – the key gold-hosting structure at Rothsay – remains open at depth and along strike, and the project is highly leveraged to further increases in Resources and Reserves.

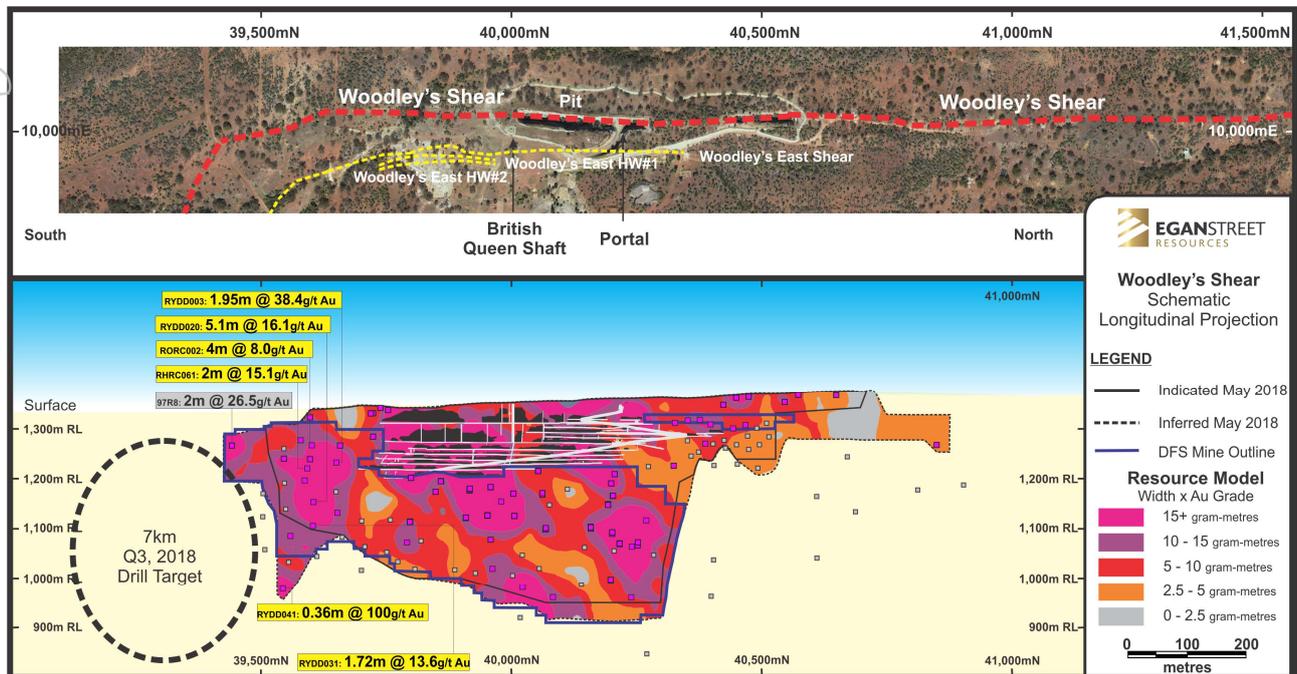


FIGURE 4 – WOODLEY'S SHEAR LONG PROJECTION SHOWING THE LOCATION OF UPCOMING EXPLORATION

## ORE SORTING

During the Quarter, the Company received highly encouraging results from further ore sorting test work on ore from the Rothsay Project, confirming the potential of this technology to significantly enhance the project's economic outcomes.

The Company completed an ore sorter test programme on seven diamond drill core intersections of 8m in length that were quartered, crushed and screened at the TOMRA facility in Castle Hill, Sydney.

The drill core selected for testing represented intersections throughout the Woodley's Shear, including intervals of hanging-wall and footwall material to represent approximate dilution percentages of development ore drives used in the DFS mine design.



FIGURE 5 – TOMRA XRT AND EM ORE SORTER, CASTLE HILL SYDNEY

The XRT sensor, which uses atomic density to differentiate heavy elements (such as iron, which hanging-wall and footwall mafic and ultramafic rocks are rich in) from light elements (such as silicon – quartz), was able to successfully separate the gold-bearing quartz rock from the ultramafic and mafic host rocks.

The XRT sensor demonstrated an ability to recover 77% of the gold into only 22% of the mass for diamond drill core representative of ore drive development material. Given that ore drive development generates approximately 48% of the material mined by mass, while only representing 29% of the ounces, this presents an opportunity to significantly reduce the amount of waste treated at cost through the plant, and thus add substantially to the free cash-flow generated by the project. The XRT reject grade averaged 0.66g/t Au.

Additionally, when the EM sensor was applied to the rejects from the XRT sort, the overall gold recovery was lifted from 77% to 99.5% with a low-grade product of 1.28g/t Au being produced which represented a further 39% mass pull. The EM sensor measures magnetic susceptibility and was able to differentiate mineralised material from un-mineralised waste on the basis of alteration which has destroyed magnetite.

TABLE 6 – AVERAGE OF SEVEN DIAMOND DRILL INTERSECTIONS, TOMRA MULTI-SENSOR ORE SORTER RESULTS

	Mass (%)	Grade (g/t Au)	Au Distribution (%)	Cumulative Au Dist (%)	Upgrade (%)
<b>Fines</b>	8.1	4.80	17.8	17.8	119
<b>XRT Product</b>	13.6	9.54	58.9	76.7	334
<b>EM Product</b>	39.0	1.28	22.8	99.5	
<b>EM Reject</b>	39.3	0.03	0.5	100.0	
<b>Calculated Feed Grade</b>	100.0	2.20	100.0		

## CORPORATE

As at 30 June 2018, EganStreet had cash reserves of \$11.5 million. During the quarter, option-holders exercised 1,225,000 unlisted \$0.18 options, raising \$220,500.

The Company continued to build its development and operations team for the Rothsay Gold Project during the Quarter, with the appointment of two key executives. Mr Jed Whitford was appointed as General Manager – Rothsay and Mr Jason Davis was appointed as Project Manager – Rothsay.

Mr Whitford is a Mining Engineer with extensive experience in the mining and extraction of precious and base metals, having held senior roles in Operations, Site Management, Project Development, Project Management, Construction, Business Development, Process Safety and Risk Management. He has worked with companies including WMC, Gold Fields Australia, Lionore, Western Areas, Jubilee and Xstrata.

Mr Davis is an experienced engineer and project delivery professional with over 18 years' experience in complex project delivery across a number of sectors in both Australia and the United Kingdom. His experience incorporates highly technical complex infrastructure projects including London Bridge Rail Station (Thameslink).

### Capital Structure:

- Shares on issue                      130.5 million
- Unlisted options                      14.4 million
- Performance Rights                      3.3 million

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## TENEMENTS & RESOURCE INFORMATION

TABLE 7 – MAY 2018 MINERAL RESOURCE ESTIMATE (AS PER JORC CODE 2012)

Resource Category	kt	Grade (g/t Au)	Contained Metal (Au koz)
Indicated	820	9.3	246
Inferred	600	8.0	155
Total <sup>7</sup>	1,420	8.8	401

TABLE 8 – TENEMENT SCHEDULE AS AT 30 JUNE 2018

Tenement	Status	Location	Interest Held (%)
E 59/1234-I	Granted	Western Australia	100
E 59/2183	Granted	Western Australia	100
E59/2254	Granted	Western Australia	100
M 59/39-I	Granted	Western Australia	100
M 59/40-I	Granted	Western Australia	100
L59/24	Granted	Western Australia	100
E59/2320	Pending	Western Australia	100
E08/2847	Pending	Western Australia	100

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## ABOUT EGANSTREET RESOURCES

EganStreet is an emerging Western Australian gold company which is focused on the exploration and development of the 100%-owned Rothsay Gold Project, located 300 km north-east of Perth in WA's Midwest region.

The Rothsay Gold Project currently hosts high-grade Mineral Resources of 401koz at an average grade of 8.8g/t Au (Indicated 820kt @ 9.3g/t Au and Inferred 600kt @ 8.0g/t Au) and a production target (Definitive Feasibility Study published 19 July 2018) of 2.1Mt mined and 1.4Mt processed at 6.9g/t Au for 250koz of gold produced.

The Company is focused on successfully bringing the Rothsay Gold Project into production. EganStreet has a strong Board and Management team which has the necessary range of technical and commercial skills to progress the Rothsay Gold Project.

EganStreet's longer term growth aspirations are based on a strategy of utilising the cash-flow generated by an initial mining operation at Rothsay to target extensions of the main deposit and explore the surrounding tenements, which include a 14 km strike length of highly prospective and virtually unexplored stratigraphy.

<sup>7</sup> Note Resources quoted above 2.5g/t Au cut-off.

## APPENDIX 1 – COMPETENT PERSON’S STATEMENT

Various information in this announcement that relates to exploration and ore sorting results, other than the new exploration results released in this announcement is extracted from the following announcements:

- **“High-Grade Results from Regional Drilling at Rothsay”** dated 19 July 2018, and
- **“Further Positive Ore Sorting Results on Drill Core”** dated 3 May 2018, and
- **“More High-Grade Hits at Depth at Woodley’s East”** dated 11 April 2018, and
- the **Prospectus** lodged on 28 July 2016.

All of above listed ASX announcements are available to view at [www.eganstreetresources.com.au](http://www.eganstreetresources.com.au) and [www.asx.com.au](http://www.asx.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the announcements referred to above or the Prospectus. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the announcements referred to above or the Prospectus.

The information in this announcement that relates to the Rothsay Mineral Resource is extracted from the announcement titled “Rothsay Resource Jumps 31% to 401,000 Ounces” lodged on 14 May 2018 which is available to view at [www.eganstreetresources.com.au](http://www.eganstreetresources.com.au) and [www.asx.com.au](http://www.asx.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the Mineral Resource estimate continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

Information in relation to the Rothsay Project Definitive Feasibility Study, including ore reserve, production targets and financial information, included in this report is extracted from an ASX Announcement dated 19 July 2018 (see ASX Announcement – 19 July 2018, “Rothsay DFS Confirms Low Capex High-Margin Operation”, [www.eganstreetresources.com.au](http://www.eganstreetresources.com.au) and [www.asx.com.au](http://www.asx.com.au)). The Company confirms that all material assumptions underpinning the ore reserve, production target and financial information set out in the announcement released on 19 July 2018 continue to apply and have not materially changed.

## 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**

EGAN STREET RESOURCES LIMITED

**ABN**

91 144 766 236

**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	-	-
1.2 Payments for		
(a) exploration & evaluation	(693)	(4,983)
(b) development	-	-
(c) production	-	-
(d) staff costs (including exploration)	(376)	(1,292)
(e) administration and corporate costs	(34)	(636)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	24	44
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,079)</b>	<b>(6,867)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(7)	(81)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

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## Mining exploration entity and oil and gas exploration entity quarterly report

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	-	-
	(b) tenements	-	-
	(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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(7)</b>	<b>(81)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	4,035
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	221	12,319
3.4	Transaction costs related to issues of shares, convertible notes or options	(8)	(663)
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>213</b>	<b>15,691</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	12,381	2,765
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,079)	(6,867)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(7)	(81)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	213	15,691
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>11,508</b>	<b>11,508</b>

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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	5,489	2,381
5.2 Call deposits	6,019	10,000
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>11,508</b>	<b>12,381</b>

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	181
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	

6.1 Payment for directors fees.

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	

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## Mining exploration entity and oil and gas exploration entity quarterly report

8. <b>Financing facilities available</b> <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	-	-
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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9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Exploration and evaluation	1079
9.2 Development	96
9.3 Production	-
9.4 Staff costs	416
9.5 Administration and corporate costs	181
9.6 Other (capital raising costs)	-
<b>9.7 Total estimated cash outflows</b>	<b>1,774</b>

10. <b>Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	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				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

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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:  ..... Date: 27 July 2018  
(Director/Company secretary)

Print name: Simon Robertson  
.....

**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.