

# QUARTERLY REPORT

ASX RELEASE  
31 October 2018

for the period ended 30 September 2018

## HIGHLIGHTS

Announcement of transformational merger with Toronto-listed Melior Resources to create a diversified cash flow focused resources company<sup>1</sup>

Merged entity to be led by MD Simon Slesarewich with support from Melior CEO/MD Mark McCauley as Executive Director

Merged entity to have two advanced development assets in Queensland: the Urquhart Bauxite project and the Goondicum Ilmenite project

Favourable outlooks prevail for both the bauxite and ilmenite markets

Goondicum fully funded and on schedule to commence production in the December 2018 quarter<sup>2</sup>

Updated Pre-Feasibility Study released on Urquhart Bauxite project<sup>3</sup>

Urquhart development fully funded - \$5.2 million in cash available at quarter end

Significant progress made in the past 2 months in regard to Urquhart haul road approval

**Metallica Minerals Limited is building a cash focused resource company with interests in bauxite, graphite, mineral sands and silica sands.**



# CORPORATE INFORMATION

\*as at 30 September 2018

## CASH AND RECEIVABLES\*

As at 30 September 2018,  
MLM's cash balance  
was \$5,162,026

## ISSUED CAPITAL\*

322,447,408  
Ordinary Shares

1,000,000  
Unlisted Options

## SHAREHOLDERS\*

2,236  
Shareholders

Top 20 shareholders  
hold 34.37%

## LARGEST SHAREHOLDERS

Jien Mining Pty Ltd - 12.4%  
Plan-1 Pty Ltd - 3.66%

## DIRECTORS

Peter Turnbull  
Non Executive Chairman

Steve Boulton  
Non Executive Director

Ian Jacobson  
Non Executive Director

Simon Slesarewich  
Managing Director

## SENIOR MANAGEMENT

John Haley  
CFO & Company Secretary



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# DEVELOPMENT AND EXPLORATION

Metallica Minerals (ASX: MLM) (“Metallica”, “the Company”) is pleased to present its activities report for the quarterly period ending September 30, 2018.

## URQUHART

### BAUXITE MLM INTEREST 50%

Ahead of the announcement of the merger with Melior Resources Inc in September, an updated independent Pre-feasibility Study (PFS) on the Urquhart project was released to market. The updated study was prepared by Brisbane-based consultancy IMC Mining Pty Ltd, which completed the initial Urquhart PFS in December 2016.<sup>4</sup>

The updated PFS base case points to a potential revenue stream nearing A\$390 million (on a 100% held project basis) across 5.5 years of production, delivering a total operating margin (allowing for all costs including royalties) of approximately A\$10.50 per tonne with payback of just 1.3 years from October 2018.

Since the initial PFS was released, there has been a material change in US denominated shipping rates that has had a direct effect on the Project. To a lesser extent, changes in bauxite price forecasts and foreign exchange rates have also impacted Urquhart’s forecast revenue. The project continues to represent an attractive development opportunity as the model proposed by Metallica is low in capital intensity and allows for a rapid transition to production.

During the quarter, Metallica progressed discussions with various stakeholders around securing approval to build a 15km haul road connecting the Urquhart project with existing port facilities at Hey Point, which remains the final

regulatory approval required before construction can begin.

With the matter having been escalated to the highest levels of Queensland Government, the Company is more confident than ever that a satisfactory resolution is close to hand and that the Company’s persistence will have been justified. Material developments will be communicated to the market as required.

Metallica is fully funded to complete development of the Urquhart project and believes it will be able to find a ready home for product from Urquhart Bauxite with customers in Asia that are experienced in processing bauxite from the Weipa region.

### BACKGROUND

The Urquhart Bauxite project is located 5km south-west of Weipa on the west coast of the Cape York Peninsula, a region renowned for its extensive deposits of high-quality pisolitic bauxite. The project consists of two bauxite plateaux, known as Area A and Area B, that are wholly contained within the lease area.

Urquhart’s Mineral Resource stands at 9.5 million tonnes (Mt) grading 52.8%  $Al_2O_3$ ,<sup>5</sup> with 6.9Mt being in the Measured and Indicated categories. An additional 8.5Mt of lower grade transitional material has been identified for potential beneficiation through dry screening. This material will be subject to further assessment once mining has commenced.

The updated PFS, completed on Urquhart in October 2018 allowed for the declaration of

a maiden JORC 2012 reserve of 6.5Mt grading 52.7%  $Al_2O_3$ .

The 2016 PFS was updated in October 2018, but Metallica continues to envisage utilising a development model that transfers risk and capital to the contractor and maximises returns for shareholders. The contract executed with LCR Group in May 2017,<sup>6</sup> and still current, is in keeping with this model, with costs in line with the assumptions made in the PFS.

A logistics solution for Urquhart has been identified, with bauxite from the Project to be shipped through existing infrastructure at the Hey Point port. Green Coast Resources, the operators of the Hey Point infrastructure recommenced shipping during the quarter.

Green Coast Resources have confirmed that their operations are ramping up as planned and discussions remain on foot, with the critical discussion point being the timing of start-up of Urquhart.

# DEVELOPMENT AND EXPLORATION

## Urquhart Bauxite project DSB Mineral Resource at an effective cut-off of 48% Al<sub>2</sub>O<sub>3</sub>

Classification	Area	Mt	Al <sub>2</sub> O <sub>3</sub> %	SiO <sub>2</sub> %	AAI%*	RSi %**
Measured	A	3.0	54.4	11.8	43.2	5.0
Indicated	A	3.9	53.3	13.1	40.8	5.2
Inferred	A	0.3	54.2	11.3	42.0	4.7
	B	2.3	49.9	17.4	37.2	6.0
	<b>Subtotal</b>	<b>2.6</b>	<b>50.3</b>	<b>16.8</b>	<b>37.6</b>	<b>5.9</b>
<b>Total</b>		<b>9.5</b>	<b>52.8</b>	<b>13.7</b>	<b>40.7</b>	<b>5.3</b>

\* AAI - Available Alumina @ 150°C

\*\* RSi - Reactive Silica @ 150°C

## Urquhart Bauxite project reserves

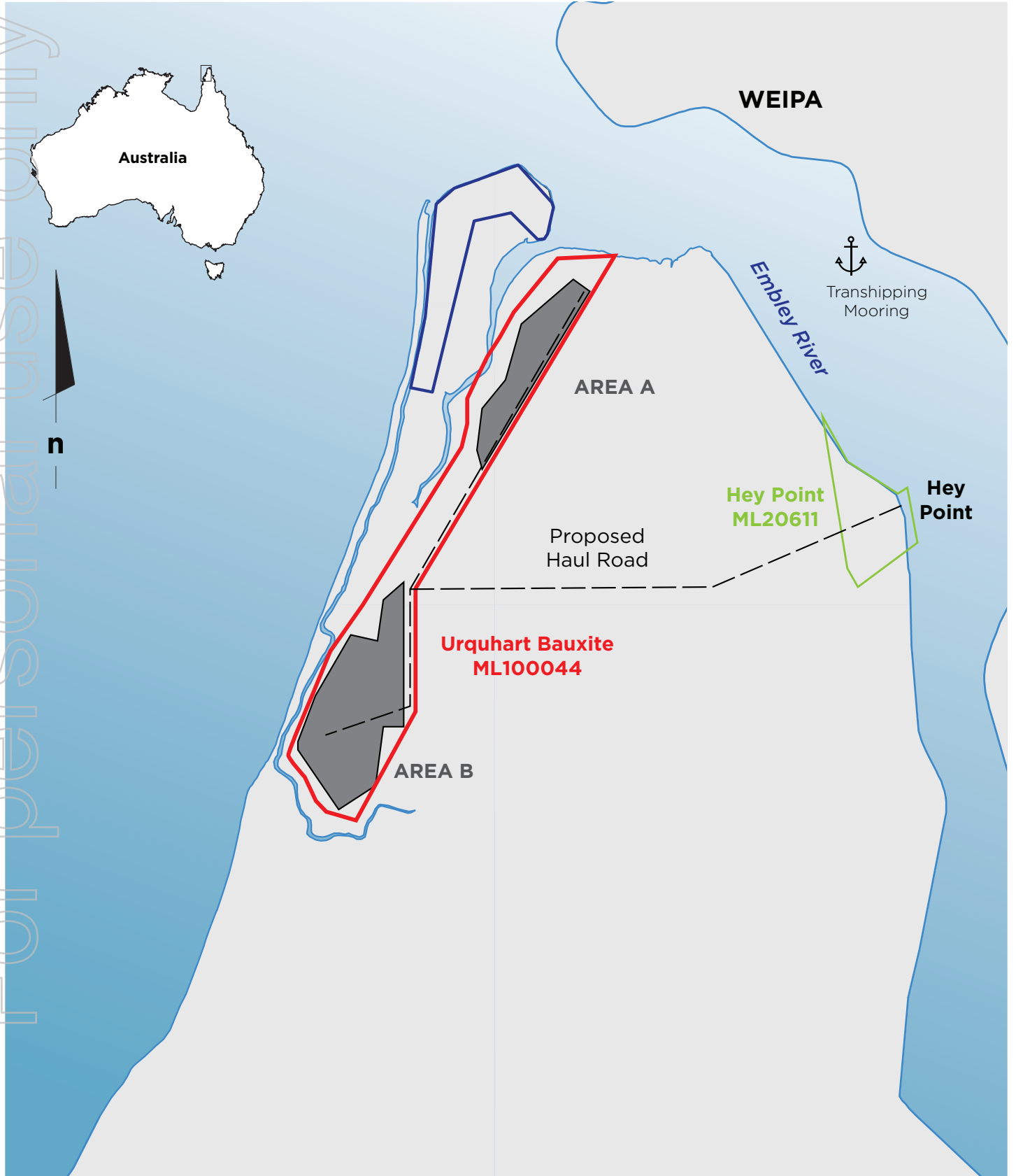
	Area	Direct shipping Bauxite (low Temp) Dry Kt	Al <sub>2</sub> O <sub>3</sub> %	SiO <sub>2</sub> %	THA %	Low Temp RSi %
Proved	A	2,964	53.7	12.3	42.3	5.4
Probable	A	3,568	51.9	14.2	39.1	5.9
<b>Ore Reserve</b>	<b>A</b>	<b>6,532</b>	<b>52.7</b>	<b>13.3</b>	<b>40.6</b>	<b>5.7</b>

Metallica confirms all material assumptions underpinning production targets and corresponding financial information continue to apply and have not materially changed as per Listing Rule 5.19.2.

## Summary of 2018 Updated PFS Results-Urquhart Bauxite project

Item	Unit	Base Case (100% Basis)	Base Case (MLM share - 50% basis)
<b>Total Saleable Product</b>	dry kt	6,532	3,266
<b>Total Al<sub>2</sub>O<sub>3</sub></b>	%	52.7	52.7
<b>Total SiO<sub>2</sub></b>	%	13.3	13.3
<b>Total Revenue</b>	A\$m	389	195
<b>EBITDA</b>	A\$m	68.8	34.4
<b>NPV<sup>10</sup> Pre Tax</b>	A\$m	47.3	23.7
<b>NPV<sup>10</sup> Post Tax</b>	A\$m	33.7	20.5
<b>IRR Post Tax</b>		364%	469%
<b>LOM Capital</b>	A\$m	2.2	1.1
<b>Avg CFR Costs*</b>	A\$ tonne	49.08	49.08
<b>Avg CFR Received</b>	A\$ tonne	59.62	59.62
<b>Payback</b>	years	< 2 yrs	< 2 yrs

# URQUHART BAUXITE



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# DEVELOPMENT AND EXPLORATION



## CAPE FLATTERY

### SILICA SANDS MLM INTEREST 100%

No meaningful exploration work was undertaken on the Cape Flattery Silica Sands project during the September Quarter.

The company plans to develop an exploration program to establish the continuity of the mineralisation in the Exploration Target areas which are adjacent to the Mitsubishi deposit.

The independent logistics consultant will continue to investigate access to the existing infrastructure during the December Quarter.

## URQUHART POINT

### HEAVY MINERAL SANDS MLM INTEREST 50%

Part of the Cape York Joint Venture with private Chinese investor Ozore Resources Pty Ltd, no work was undertaken on the Urquhart Point Heavy Mineral Sands (HMS) project during the September Quarter as Metallica continued to focus on progressing the Urquhart Bauxite project towards production.

The Company will continue to entertain third party approaches in relation to the Urquhart Point HMS project and processing plant, which remains in storage near Brisbane, so as to potentially realise value from the asset.

## CAPE YORK

### REGIONAL EXPLORATION MLM INTEREST 50%

Metallica and its joint venture partner Ozore Australia Pty Ltd did not undertake any field work on regional HMS and bauxite exploration targets during the September Quarter.

With a clear focus on the Urquhart Bauxite project, regional exploration is currently on hold.

## ESMERALDA

### GRAPHITE MLM INTEREST 100%

No meaningful exploration work was undertaken on the Esmeralda Graphite project during the September Quarter.

Metallica intends to incrementally progress the project while continuing to focus on its strategy to become a significant bauxite producer. Unprospective areas within the tenements were relinquished during the quarter to reduce overall holding costs of the project.

# BAUXITE MARKET COMMENTARY

Developments in the global bauxite market over the quarter continued to support Metallica's view that the outlook for pricing and demand remains robust.

Domestic bauxite prices in China are reaching new highs as authorities increase the frequency of regulatory compliance checks and environmental audits. Enquiries from Chinese inland refineries continue to gather pace, due to the environmental policies curtailing domestic bauxite supply. Imported bauxite prices, ViU-adjusted, are on par with domestic prices, taking into account transport costs of approximately US\$25/t to US\$30/t to move bauxite from the coast to these inland refineries. Higher domestic bauxite prices will inevitably result in more refineries ultimately seeking imported bauxite.

According to industry research firm CM Group, China imported around 7.1Mt of bauxite in August, up 4% month-on-month and equating to an annualised rate of approximately 85Mt.

Recent policy changes relating to the application of tariffs on imported goods in the United States of America have to date had no apparent impact on Australian bauxite producers.

# CORPORATE

## TRANSFORMATIONAL MERGER WITH MELIOR RESOURCES INC

In September 2018 Metallica announced it had entered into a binding Arrangement Agreement (AA) to merge with Toronto-listed Melior Resources Inc via a Plan of Arrangement to be approved by the court in British Columbia, Canada. Under the terms of the AA, Metallica will acquire all of Melior's issued capital through the issue of 20 new Metallica shares for every one Melior share held.

Upon formal ratification, the Merger will create a diversified Queensland mining company with two near-term production assets and a strong pipeline of future growth opportunities that is expected to provide an opportunity for both sets of shareholders to realise significant value.

The merged entity's portfolio will be led by Melior's Goondicum Ilmenite project near Monto in central Queensland, which is fully funded, has offtake agreements in place and is on schedule to commence production in November 2018. Goondicum has had more than \$120 million invested by previous owners and a significant amount of mine and processing infrastructure is already in place.

A recently completed Preliminary Economic Assessment by Melior indicated pre-tax cashflow of US\$51 million over the first three years of full production with only \$US7 million in restart capital required. The majority of the capital has now been deployed. The current mine life is nine years but considerable potential exists to extend this through exploration within the project tenement area.

Goondicum is forecast to be cash flow positive in the June 2019 quarter, thereby supporting the development of the merged entity's other assets, as well as enabling the Company to pursue additional, value-accretive growth opportunities.

The combination of Goondicum and Urquhart will give the merged entity enhanced scale and diversification, with shareholders continuing to benefit from the positive long-term fundamentals for mineral sands and bauxite. The Merger will also provide a platform for future growth through an enhanced capital markets profile, strengthened investor base and stronger balance sheet.

Both Metallica and Melior are based in Brisbane and the merged entity will benefit from the complementary skill sets possessed by each company and a strengthened board and management team comprising three directors from Metallica and three directors from Melior.

Metallica Managing Director Simon Slesarewich will continue as Managing Director of the merged entity with support from Melior Managing Director/CEO Mark McCauley as Executive Director. The highly experienced George Lloyd will assume the role of Non-Executive Chairman, while Peter Turnbull, Ian Jacobson and Martyn Buttenshaw will be Non-Executive Directors.

Metallica shareholders are scheduled to vote to approve the merger at an Extraordinary General Meeting which is scheduled to be held once materials have been prepared and sent to shareholders for their

review. At the same meeting, the Company will also seek approval for a new name for the merged entity. Should both the Metallica and Melior Shareholders approve the merger it is expected that completion of the transaction will occur in December 2018.

## DUE DILIGENCE ON WAGINA ASSET, SOLOMON ISLANDS

Due diligence activities on the advanced Wagina Bauxite project were halted during the quarter as South West Pacific Bauxite (HK) Ltd (SWPB), the owner of a 75% interest in the project, completed a fundraising. No costs were expended by Metallica on assessing Wagina in the reporting period.

It is anticipated that the due diligence process will resume in the December Quarter. To date, Metallica has discovered no material issues that might deter the Company from proceeding with an acquisition of the project.

At the start of the June Quarter, Metallica was granted an option to carry out exclusive due diligence on Wagina, which contains a JORC 2012 Resource of 30.1Mt at 46.9% Al<sub>2</sub>O<sub>3</sub> and 3% SiO<sub>2</sub>, in exchange for extending a secured loan of A\$120,000 to SWPB (this has now increased to A\$190,000).

Wagina was identified by Metallica through a global search and appears to fit the criteria for project growth options set by the Board that they must be advanced, long-life and low cost with the potential to create significant shareholder value.

The outcome of the due diligence process is expected to be announced in early 2019.



# CORPORATE

Metallica intends to continue to assess alternative growth options through the lens of establishing significant, sustainable cash flows and significantly increasing the size and value of the Company.

## RECEIPT OF NOTICES UNDER SECTION 249D AND 203D

In October, Metallica received two purported notices under section 249D of the Corporations Act 2001 (Cth) with the intention of calling a meeting of shareholders to consider resolutions for the replacing of each of the Company's Directors.<sup>6,7</sup>

The notices were received from three shareholder entities, which together hold approximately 5.2% of Metallica's issued capital. The Company has taken positive steps to attempt to meet with the Requisitionists, however no meeting has occurred to date.

After advising the Requisitionists, based on expert legal advice, that their second section 249D notice was invalid, as it also did with the first, the Company on 24 October 2018 received from the Requisitionists a notice under section 203D<sup>8</sup> of the Corporations Act which is, indeed, valid.

This notice calls for the removal of each of the Directors of the Company and their replacement with three nominees of the Requisitionists.

The letter accompanying the 203D notice advises that the Requisitionists intend to call a meeting of shareholders at which the various resolutions are to be held under section 249F of the Corporations Act.

At the time of writing, the Requisitionists have not called the meeting under section 249F.

Based on expert legal advice, Shareholders should be aware that the Company is under no obligation to hold this meeting within two months of receipt of the section 203D notice.

Accordingly, this meeting will not be held until 24 December 2018 at the earliest.

Metallica will comply with its obligations under the Corporations Act and will provide shareholders with further information in due course

## ANNUAL GENERAL MEETING

The Annual General Meeting for the Company will be held on Monday 19 November 2018 at 11:30am at Waterfront Place, Level 7, 1 Eagle Street, Brisbane QLD 4001.<sup>9</sup>

## ISSUED CAPITAL

As at 30 September 2018, Metallica had 322,447,408 fully paid ordinary shares and 1,000,000 unlisted options on issue.

## FINANCIAL UPDATE

Metallica finished the September Quarter with \$5.2 million in cash and remains fully funded to complete development of the Urquhart Bauxite project.

During the quarter the Company was also issued 16,811,916 fully paid ordinary Australian Mines shares valued at \$1.5 million (based on the 30-day volume weighted average price at time of issue). These shares were subject to a three-month escrow period that has now expired.<sup>10</sup>

## DECEMBER 2018 QUARTER OUTLOOK

Metallica's focus for the December Quarter is to;

- Complete the transformational merger with Melior Resources Inc;
- Secure approval for construction of the haul road connecting the Urquhart Bauxite project with existing port facilities at Hey Point;
- Continue discussions with interested offtake partners with a view to finalising sales contracts prior to first production; and
- Resume and complete Wagina due diligence activities ahead of making a decision on whether to proceed with the project acquisition.

# NOTICES

## COMPETENT PERSON'S STATEMENT

### URQUHART BAUXITE

The Mineral Reserve estimate and Production Target estimates were undertaken by Mr Stewart Lewis, Mining Engineer, who is a Member and Chartered Professional of the Australasian Institute of Mining and Metallurgy and the CEO of IMC Mining Pty Ltd. Mr Lewis has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Lewis consents to the inclusion of this information in the form and context in which it appears in this release/report.

The Mineral Resource estimate was undertaken by Mr John Horton, Principal Geologist, who is a Fellow and Chartered Professional of the Australasian Institute of Mining and Metallurgy and an associate at IMC Mining Pty Ltd. Mr Horton has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Horton consents to the inclusion of this information in the form and context in which it appears in this release/report.

The information in this report that relates to Exploration Results and Exploration Targets is based on information compiled by John Cameron (a geologist of over 25 years experience), and a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy and is a contract consultant to Metallica Minerals Ltd. Mr Cameron has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Mr Cameron consents to the inclusion of this information in the form and context in which it appears in this release/report.

## CAUTION REGARDING FORWARD-LOOKING STATEMENTS

Certain statements made in this announcement contain or comprise certain forward-looking statements. Although Metallica believes that the estimates and expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in commodity prices and exchange rates and business and operational risk management. Metallica undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.

### FOOTNOTES

1. See ASX Announcement 13 September 2018 "Transformational Merger with Melior Resources"
2. See ASX Announcement 12 September 2018 "Melior Provides Positive Update About Progress at the Goondicum Mine"
3. See ASX Announcement 12 September 2018 "Updated PFS Urquhart Bauxite Project"
4. See ASX Announcement 30 December 2017 "Urquhart Bx PFS"
5. See ASX Announcement 14 November 2017 "Significant increase to Reserves at Urquhart Bauxite"
6. See ASX Announcement 22 May 2017 "Mining and Haulage Contractor appointed"
7. See ASX Announcements 15 October 2018 "Receipt of Section 249D" and 22 October 2018 "Section 249D Notice Invalid"
8. See ASX Announcement 26 October "Receipt of Section 203D Notice"
9. See ASX Announcement 19 November 2018 "Notice of Annual General Meeting/Proxy Form"
10. See ASX Announcement 11 July 2018 "Allotment of AUZ Shares"

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## SUBSIDIARY COMPANIES

NORNICO Pty Ltd ACN 065 384 045  
Oresome Australia Pty Ltd ACN 071 762 484  
Oresome Bauxite Pty Ltd ACN 606 362 252  
Lucky Break Operations Pty Ltd ACN 126 272 580  
Phoenix Lime Pty Ltd ACN 096 355 761  
Greenvale Operations Pty Ltd ACN 139 136 708  
Scandium Pty Ltd ACN 138 608 894  
Touchstone Resources Pty Ltd ACN 126 306 018



# APPENDIX 5B

## Mining Exploration Entity and Oil and Gas Exploration Entity Quarterly Report

**NAME OF ENTITY:** Metallica Minerals Limited

**ABN:** 45 076 696 092

**QUARTER ENDED "current quarter":** 30 September 2018

**Rule +5.5**

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

<b>Consolidated Statement of Cash Flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	11	11
1.2	Payments for		
	(a) exploration & evaluation	(14)	(14)
	(b) development	(336)	(336)
	(c) production		
	(d) staff costs	(118)	(118)
	(e) administration and corporate costs	(264)	(264)
1.3	Dividends received (see note 3)		
1.4	Interest received	20	20
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) - Project Generation	(139)	(139)
<b>1.9</b>	<b>Net cash from/(used in) operating activities</b>	<b>(840)</b>	<b>(840)</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)		
	(c) investments		
	(d) other non-current assets		
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		
<b>2.6</b>	<b>Net cash from/(used in) investing activities</b>	<b>0</b>	<b>0</b>

# APPENDIX 5B

<b>Consolidated Statement of Cash Flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares		
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		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings	(50)	(50)
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>(50)</b>	<b>(50)</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	6,052	6,052
4.2	Net cash from/(used in) operating activities (item 1.9 above)	(840)	(840)
4.3	Net cash from/(used in) investing activities (item 2.6 above)	Nil	Nil
4.4	Net cash from/(used in) financing activities (item 3.10 above)	(50)	(50)
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>5,162</b>	<b>5,162</b>
<b>5.</b>	<b>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</b>	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	1,173	1,006
5.2	Call deposits	3,989	5,046
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>5,162</b>	<b>6,052</b>
		<b>Current quarter \$A'000</b>	
<b>6.</b>	<b>Payments to directors of the entity and their associates</b>		
6.1	Aggregate amount of payments to these parties included in item 1.2	117	
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		

# APPENDIX 5B

			Current quarter \$A'000		
<b>7.</b>	<b>Payments to related entities of the entity and their associates</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				
<b>8.</b>	<b>Financing facilities available</b>		<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>	
	<i>Add notes as necessary for an understanding of the position</i>				
8.1	Loan facilities				
8.2	Credit standby arrangements		Nil	Nil	
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.				
<b>9.</b>	<b>Estimated cash outflows for next quarter</b>			<b>\$A'000</b>	
	<b>Note:</b>				
9.1	Exploration and evaluation			10	
9.2	Development			120	
9.3	Production				
9.4	Staff costs			120	
9.5	Administration and corporate costs			180	
9.6	Other (provide details if material) - Project Generation			200	
<b>9.7</b>	<b>Total estimated cash outflows</b>			<b>630</b>	
<b>10.</b>	<b>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				
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

# APPENDIX 5B

## 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 October 2018

**Print name:** John Haley

## 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.