



## **MARCH QUARTERLY REPORT**

### ***Exploration Activities Report***

***Quarter ended 31<sup>st</sup> March 2017***

- During the March quarter, Avira Energy Limited ('Avira Energy') focused on capital restructuring and pursuing approvals and financing for the proposed Manyingee uranium joint venture with Paladin Energy Limited ('Paladin').

## **HIGHLIGHTS**

- On 19 January 2017, MGT Resources Limited changed its name to Avira Energy Limited (ASX:AVW)
- On 19 January 2017, Shareholders approved the change in scale associated with the then proposed joint venture with Paladin over the Manyingee Mining Leases (M08/86, M08/87, M08/88) in North Western Australia. Regrettably, the transaction did not proceed as Avira was unable to satisfy the financing conditions within the timeframe set out in the Sale of Tenement Agreement, not least due to political factors and the election of a Labor government in the Western Australian State elections on 11 March 2017.
- On 24 March 2017 Avira Energy announced that MGT Mining Limited (MGTM) (89.48% subsidiary of Avira Energy) had entered into a \$1.8m Conditional Secured Converting Note ('Note') and Option Agreement with Niflheim Resources Pte Ltd (a Company located in Singapore). This is subject to MGTM shareholder approval.
- On 6 April 2017 Avira Energy announced that MGTM had fully repaid the Taimetco International Co., Limited \$1.5m secured loan plus interest, using the funds received from the issue of the Niflheim Resources Pte Ltd Note.

Avira Energy has cash reserves of \$145,000 as at 31st March 2017.

## **QUARTERLY REPORT**

March 2017

### **ASX CODE**

AVW

### **REGISTRY**

Computershare

### **SHARES ON ISSUE**

48,306,640

## **AVIRA ENERGY Limited**

13.05/109 Pitt Street  
Sydney NSW 2000  
Australia

T: 61 2 9262 1122

F: 61 2 9299 5175

[www.aviraenergy.com](http://www.aviraenergy.com)  
[admin@aviraenergy.com](mailto:admin@aviraenergy.com)



### **1. MANYINGEE JOINT VENTURE, WESTERN AUSTRALIA**

**Includes: M08/86, M08/87, M08/88**

Avira Energy will not be proceeding with the previously proposed Manyingee Joint Venture with Paladin. As announced to the market on 3 April 2017, Avira was unable to satisfy the financing conditions within the timeframe set out in the Sale of Tenement Agreement signed and announced to the ASX on 15 November 2016.

Paladin and Avira remain in discussions regarding the Manyingee project and, alongside this, Avira will continue to seek out other worthwhile uranium and resources projects that potential investors will find compelling.

### **2. SUMMER HILLS TIN PROJECT, QUEENSLAND (MGT 89.48%)**

**Includes: Summer Hills ML20547; Mt Veteran Mill ML4349; Nanyetta EPM25433; Valetta ML20066**

During the Quarter, samples for X-ray Radiometric Testing test work were collected, including from high grade, low grade and barren zones within the Dalcouth prospect, to assist with metallurgical assessment of the mineralisation.

Two hundred kilograms of these samples were sent to Steinert Australia in Bayswater, Victoria for density sorting test work, to ascertain the possibility of accurate in-pit sorting of ore from waste

### **3. SOUTHERN QUEENSLAND PROJECTS (MGT 89.48%)**

**Includes Yarrol EPM 8402; Mt Steadman EPM 12834; Gooroolba EPM 15426**

No significant exploration work was undertaken on the Southern Queensland Project during the March quarter.

### **4. NYMBOOL PROJECT, QUEENSLAND (MGT 89.48%)**

**Includes Heads or Tails ML20655; Nymbool EPM16948; Nymbool West EPM25690; Fuzzy Hill EPM25716; Nymbool Extended EPM25347**

No significant exploration work was undertaken on the Nymbool Project during the March quarter.

### **5. PYRAMID GOLD PROJECT, QUEENSLAND (MGT 89.48%)**

**Includes Pyramid EPM 12887; Pyramid 2 EPM25154; Pyramid 3 EPM 19554**

No significant exploration work was undertaken on the Pyramid Project during the March quarter.

## **5. MGT CORPORATE**

### **Cash**

Cash at hand as at 31 March 2017 was \$145,000.

The Mt Garnet tin project continues to be on care and maintenance.

### **General meeting**

Avira Energy Limited held a General Meeting on 19 January 2017. All resolutions put to shareholders were passed.

### **Further Capital Restructuring and Funding Required**

Directors are working towards further debt restructuring solutions for the \$1m Convertible Note owing by Avira Energy to Armstrong Industries HK Limited and the \$0.5m Convertible Note owing by Avira Energy to Joseph Capital (Hong Kong) Limited which both expire in November 2017.

Directors are also aware of need for further funding for working capital purposes and are working on solutions and will update the market in due course.

ENDS

### **Investor and media enquiries:**

Gary Kuo  
Managing Director, Executive Director  
T: +61 2 9262 1122  
gary.kuo@aviraenergy.com

## 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

Avira Energy Limited and its Controlled Entities

### ABN

38 131 715 645

### Quarter ended ("current quarter")

31 March 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(44)	(158)
(b) development	-	-
(c) production	-	-
(d) staff costs (including Directors Fees)	(82)	(385)
(e) administration and corporate costs	(324)	(793)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	3
1.5 Interest and other costs of finance paid	(26)	(365)
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>(476)</b>	<b>(1,698)</b>

<b>2. 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	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	1,000
3.2	Proceeds from issue of convertible notes	949	1,449
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(5)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(750)	(750)
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>199</b>	<b>1,694</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	422	149
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(476)	(1,698)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	199	1,694
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>145</b>	<b>145</b>

5. <b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	145	422
5.2 Call deposits	-	-
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>145</b>	<b>422</b>

6. <b>Payments to directors of the entity and their associates</b>	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	(12)
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	

7. <b>Payments to related entities of the entity and their associates</b>	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	(60)
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	

## 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.		

--

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	(38)
9.2 Development	-
9.3 Production	-
9.4 Staff costs	(87)
9.5 Administration and corporate costs	(180)
9.6 Other (Interest payments)	(102)
<b>9.7 Total estimated cash outflows</b>	<b>(407)*</b>


\* Directors are working towards debt restructuring and capital raising solutions and will update the market in due course.

<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	N/A	N/A	N/A	N/A
10.2 Interests in mining tenements and petroleum tenements acquired or increased	N/A	N/A	N/A	N/A

**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: ...28 April 2017

Print name: Jacqueline Butler.....

**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.