red metal limited

ACN 103 367 684

JUNE 2018 QUARTERLY REPORT

30 July 2018

ASX Code: RDM

Red Metal Limited is a minerals exploration company focused on the exploration, evaluation and development of Australian copper-gold and basemetal deposits.

Issued Capital:

210,283,409
Ordinary shares

8,675,000
Unlisted options

Directors:

Rob Rutherford
Managing Director

Russell Barwick
Chairman

Joshua Pitt
Non-executive Director

RED METAL LIMITED
Level 15
323 Castlereagh Street
Sydney NSW 2000

Ph: +61 2 9281 1805
Fax: +61 2 9281 5747

info@redmetal.com.au
www.redmetal.com.au

HIGHLIGHTS

Punt Hill/Pernatty Lagoon JV, SA, Copper-Gold

- Successful execution of Native Title Mining Agreement for Exploration
- Heritage surveys completed in preparation for significant proof of concept drill program totaling more than 6,000 metres.
- Drilling on schedule to commence early September.

Maronan, QLD, Silver-Lead & Copper-Gold

- Regional ground electromagnetic surveying targeting additional copper-gold resources highlights strong conductor south of the Maronan deposit.
- Preparations for drilling underway.

Three Ways, QLD, Zinc-Lead-Silver

- Exploration permits secured over new zinc prospective sub-basin interpretation - 130 kilometres north of the large Dugald River zinc-lead-silver deposit.
- Magneto-telluric survey lines map thick, highly conductive sedimentary sequences that are the key to finding large Mount Isa style zinc deposits.
- Conductive sequences remain untested by past exploration.

Gulf, QLD, Copper-Gold

- Higher resolution gravity surveying initiated over several previously untested Iron-Oxide Copper-Gold (IOCG) target areas.

Yarrie, WA, Copper-Cobalt

- Significant new project secured in the Paterson Province along trend from the Nifty Copper mine and a new Rio Tinto copper play.

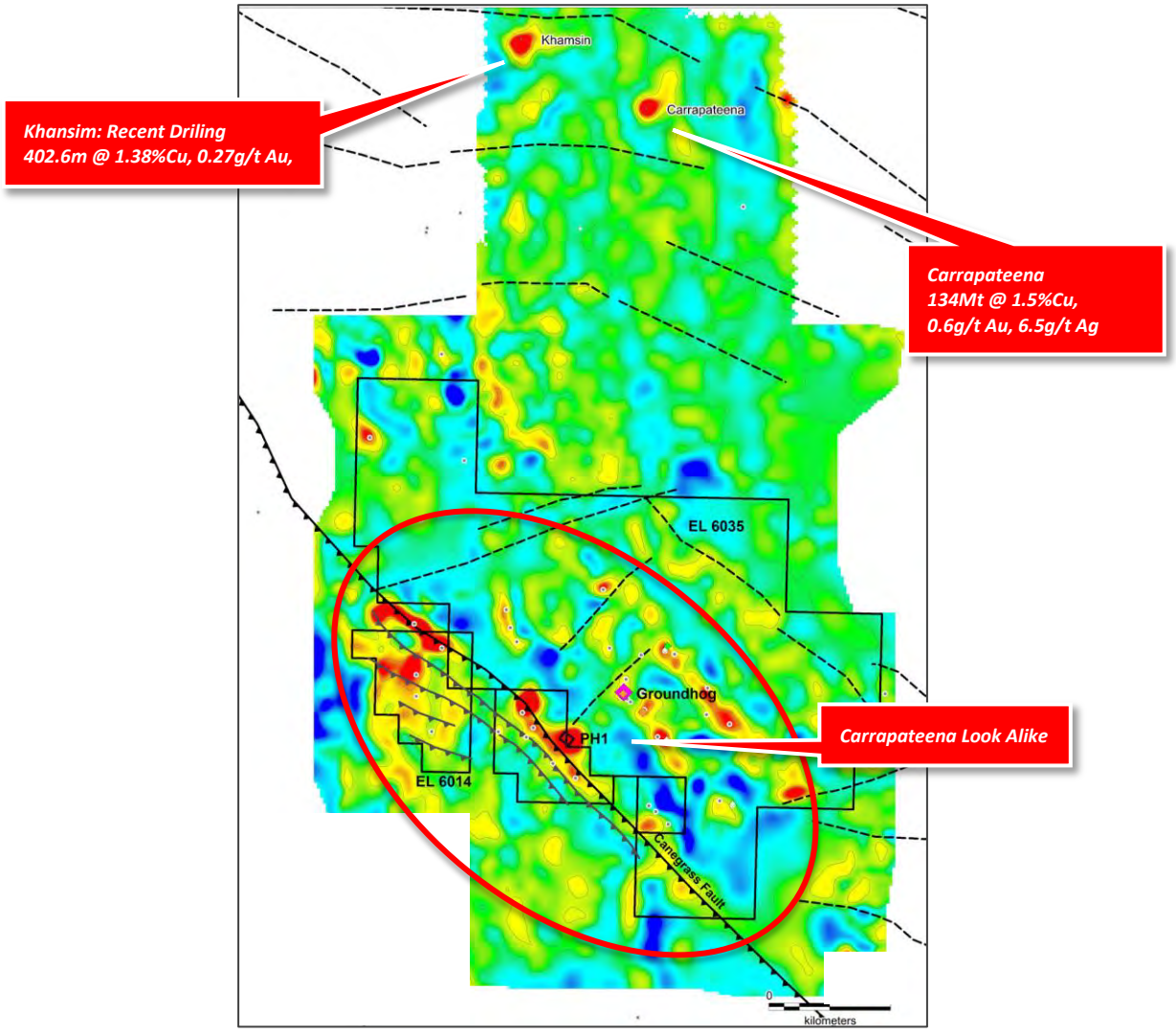
GAWLER CRATON - SA

Punt Hill and Pernatty Lagoon Joint Venture: Copper-Gold-Zinc

This quarter joint venture partner OZ Minerals Limited (OZ Minerals) passed a major milestone with the execution of a Native Title Mining Agreement for Exploration (NTMAE) with the Kokatha Aboriginal Corporation in preparation for a significant maiden drill program totaling more than 6000 metres. Subsequent heritage inspection surveys have cleared all the proposed targets for drill access.

The upcoming program, designed with Red Metal's input, will test a range of new target concepts including the high gravity/weak magnetic PH1 anomaly which has similar geophysical characteristics to that modelled over the nearby Carrapateena and Khamsin deposits (Figure 1). Interestingly, recent OZ Minerals drilling on Khansim (Figure 1) returned a significant 402.6 metres at 1.38% copper and 0.27g/t Au from a bornite-bearing hematite breccia (Oz Minerals Presentation ASX 19 July 2018) – highlighting the exciting upside potential of other geophysical targets in the district.

Drilling on the Punt Hill and Pernatty Lagoon joint venture is on schedule to begin in early September 2018. More details on the program and examples of targets will be provided closer to the start date.



[Figure 1] Punt Hill EL6035 and Pernatty Lagoon EL 6014: Regional residual gravity image (front) with historic drilling (white dots) highlighting untested PH1 target, Carrapateena copper-gold deposit and the low-grade Ground Hog prospects on the Punt Hill project. The priority PH1 target is a strong residual gravity anomaly associated with a small residual magnetic response and is similar to the geophysical signature measured over the Carrapateena deposit.

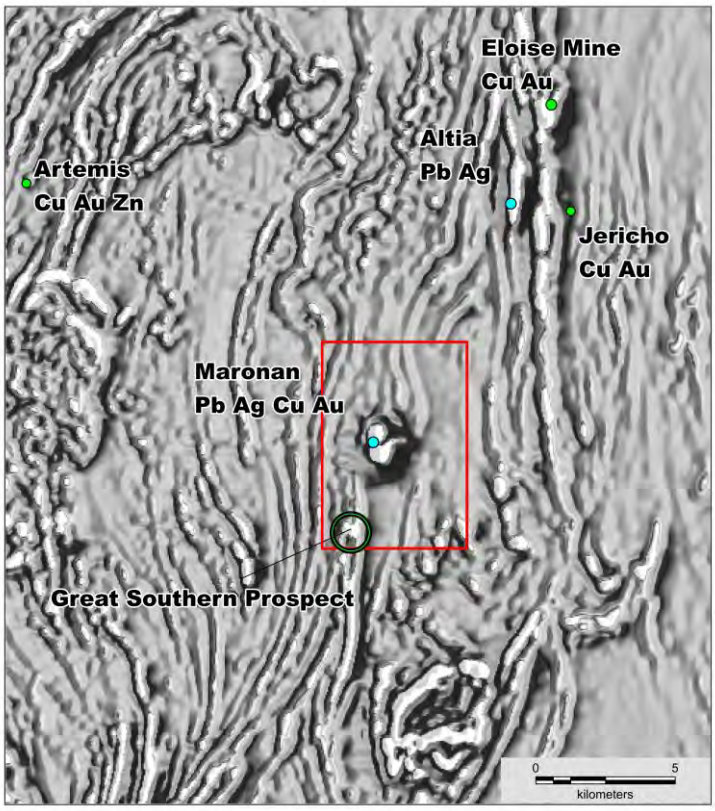
MOUNT ISA INLIER - QLD

Maronan Project: Silver-Lead & Copper-Gold

A ground-based electromagnetic survey completed over the whole of the Maronan project area this quarter has discovered two strong, regionally significant, conductors just three kilometres south of the existing Maronan lead-silver and copper-gold deposit (Figures 2 and 3).

The new "Great Southern" conductors are about 400 to 600 metres long and model at a depth of about 100 metres below surface. Magnetic imagery places the southern conductors at the hinge zone to a regional fold closure (the Great Southern Fold Structure) which sits about 300 metres within the southern boundary of the Maronan tenement (Figure 3b).

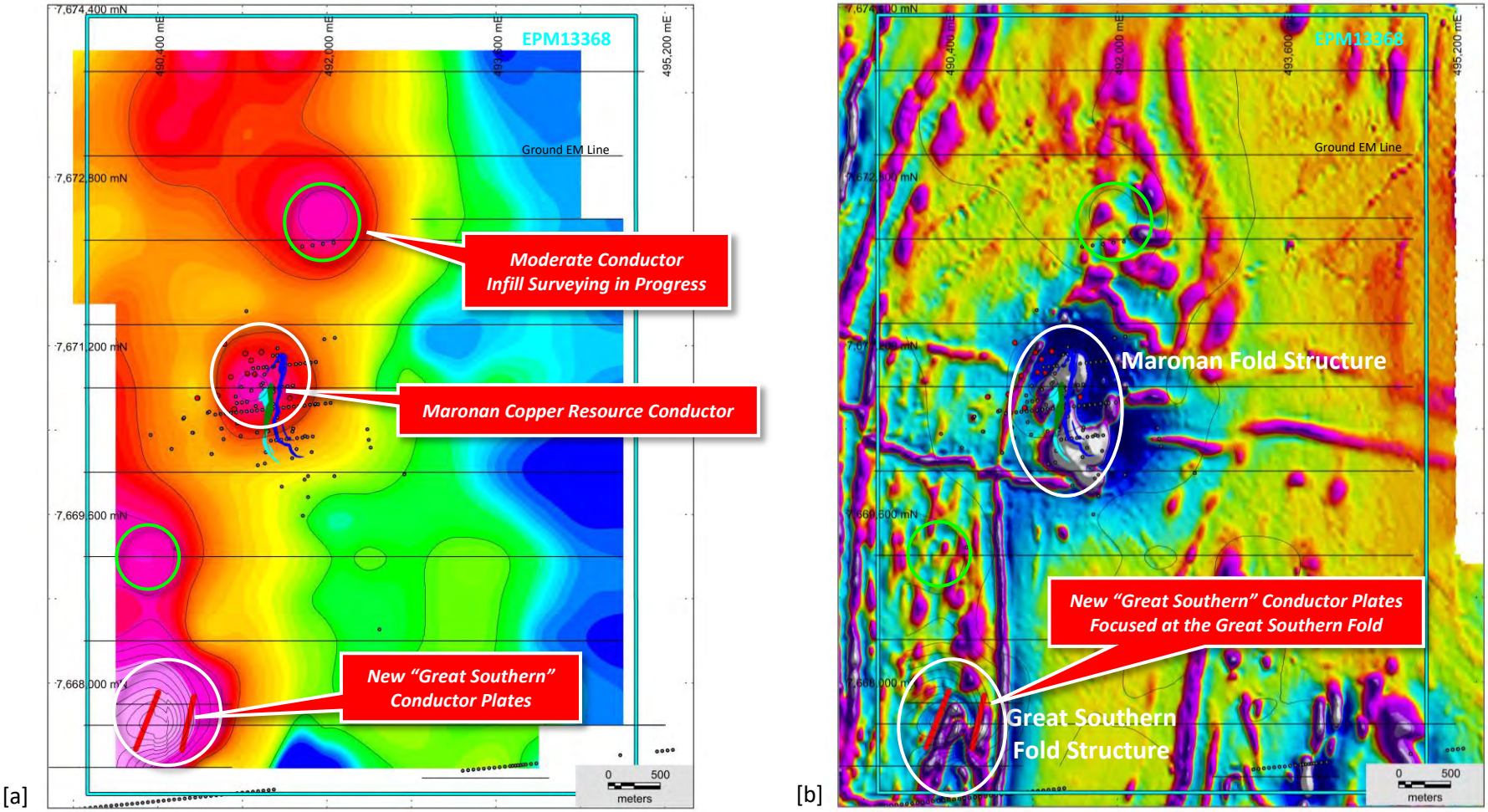
In addition to the new southern conductors, the survey successfully identified the existing Maronan chalcopyrite with pyrrhotite mineralisation plus two separate, moderate strength conductors both 1.5 kilometres north and south of the Maronan deposit that require confirmation with infill electromagnetic surveying (Figure 3a).



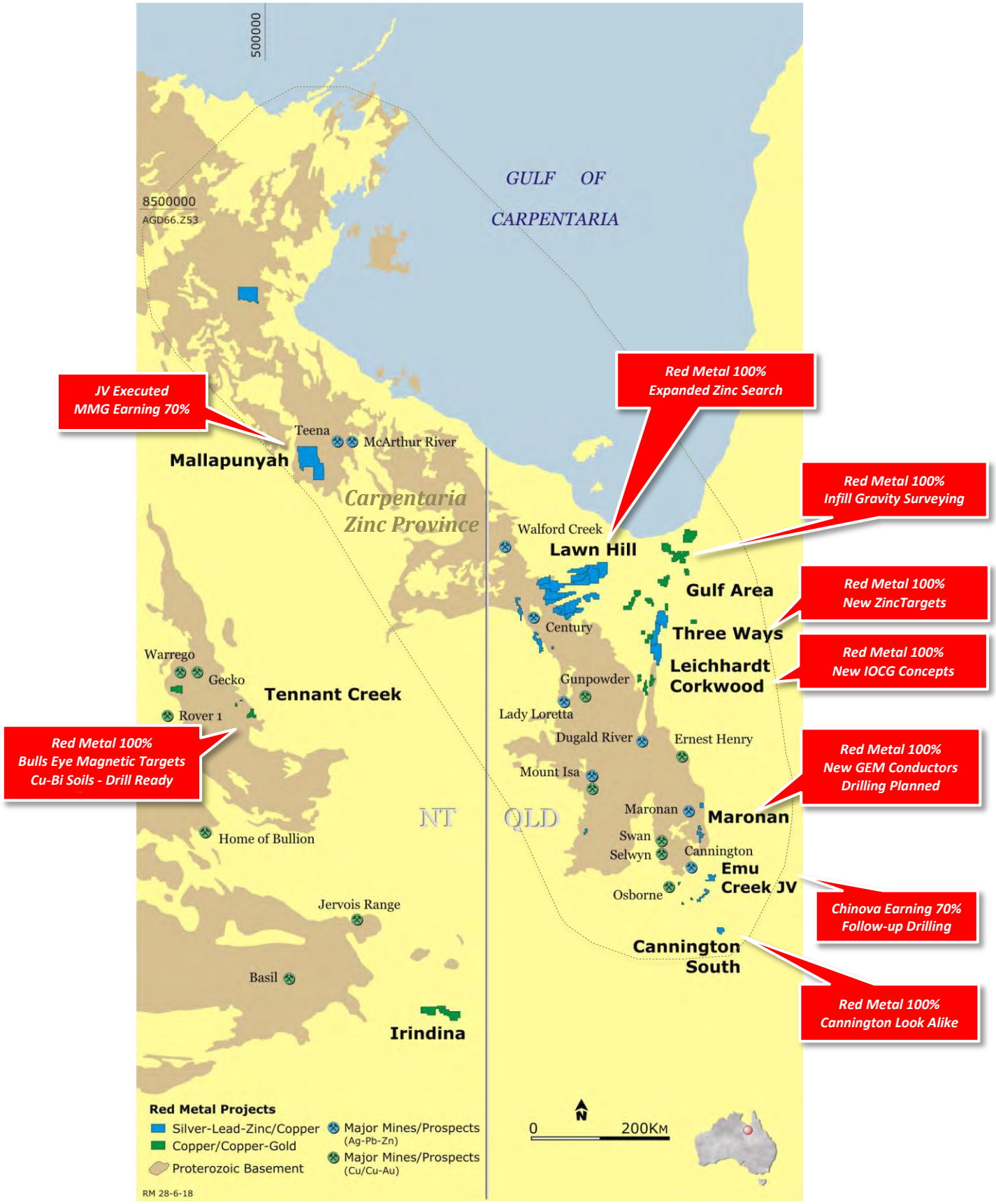
[Figure 2] Maronan Project: Regional vertical gradient magnetic image showing the Maronan lead-silver and copper-gold deposit, other copper-gold and lead-silver-zinc prospects, the Eloise mine and Red Metal's new Great Southern conductors.

The existing Maronan deposit comprises two separate styles of mineralisation, bedded lead-silver mineralisation (inferred resource of 30.7Mt @ 6.5% lead with 106g/t silver) partially overprinted by structurally controlled, copper-gold mineralisation (inferred resource of 11.1Mt @ 1.6% copper with 0.8g/t gold). The copper-gold mineralisation at Maronan and the nearby Eloise Mine are typical examples of the Iron Sulphide Copper-Gold (ISCG) style of deposit. These deposit types are characterized by varying amounts of copper and iron sulphides (pyrrhotite) in vein and breccia zones that are highly conductive and can be directly detected using electromagnetic surveying.

Preparations for drill tests on the new Great Southern conductors are underway.



[Figure 3] Maronan EPM 13368: Ground electromagnetic image and contours of Z component Channel 30 (Figure 3a) and vertical gradient magnetic imagery (Figure 3b) with historic drill holes (black and red dots) and ground electromagnetic survey lines (fine black lines). Note the untested strong conductors south of the Maronan resources (lead-silver resource as blue polygons, copper-gold resource as dark green polygon). The position of the modelled conductor plates are highlighted as red lines for the new southern conductors. Moderate conductors scheduled for additional infill surveying are highlighted in green circles.



[Figure 4] Northwest Queensland and Northern Territory: Major deposits and Red Metal tenement locations.

Three Ways Project: Zinc-Lead-Silver, Copper-Gold

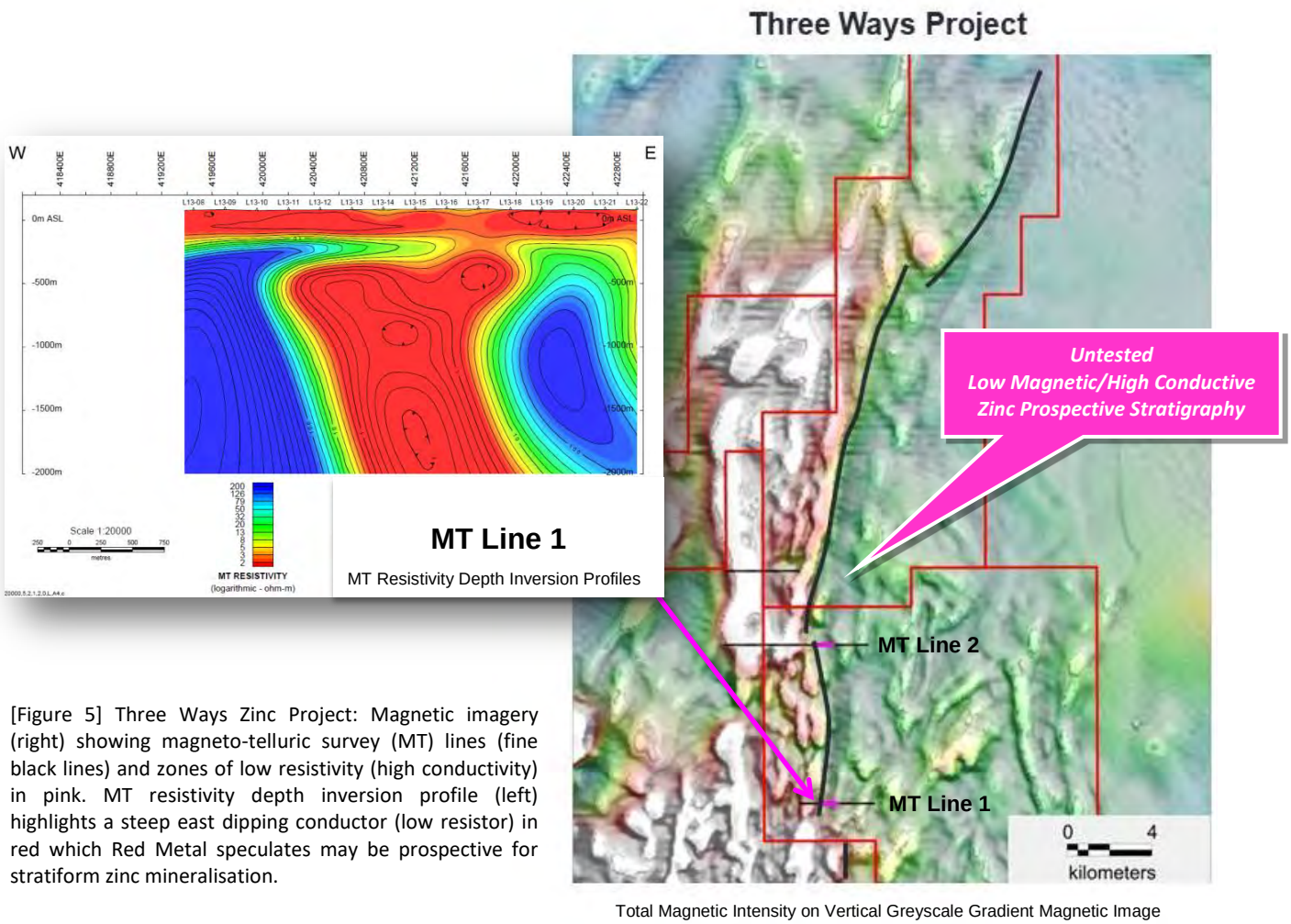
This quarter, Red Metal secured three new exploration permit applications 130 kilometres along trend from MMG's recently commissioned Dugald River zinc-lead-silver mine (Figures 4 and 10). Red Metal believes the broad geological and geophysical setting at Three Ways compares favorably with that of other fertile sub-basins hosting giant zinc deposits elsewhere in the province (refer to Red Metal ASX announcement dated 18 June 2018).

A regional data review by Red Metal's exploration team identified historic magneto-telluric (MT) data that has provided key evidence as to the zinc potential of this under explored region.

Modelling of the MT data has enabled Red Metal to interpret a 500-1000 metre thick, highly conductive sedimentary sequence located below 300 to 500 metres of younger cover which has the potential to host giant stratiform lead-zinc-silver deposits (Figure 5). The prospective sequence has a low magnetic trend, dips steeply to the east and is interpreted over 60 kilometres of strike that has never been drill tested.

The nearby Dugald River deposit (53Mt @ 12.5% zinc, 1.9% lead, 36 g/t silver), as well as the giant Mount Isa, Hilton-George Fisher and McArthur River zinc-lead silver deposits (Figure 4) are hosted in thickened, highly conductive, sequences of carbonaceous and iron sulphide-enriched sedimentary rock types. These sedimentary style deposits are mostly found in second order sub-basins adjacent to major regional faults that were active during sedimentation. The zinc prospective host sequences are highly conductive and often associated with a low magnetic response - making them detectable with combined magnetic and electromagnetic geophysical techniques.

Red Metal is proposing to utilize a deep penetrating, electromagnetic technique, such as MT surveying, to map and prioritize highly conductive zones within the prospective stratigraphy for drill testing.



[Figure 5] Three Ways Zinc Project: Magnetic imagery (right) showing magneto-telluric survey (MT) lines (fine black lines) and zones of low resistivity (high conductivity) in pink. MT resistivity depth inversion profile (left) highlights a steep east dipping conductor (low resistor) in red which Red Metal speculates may be prospective for stratiform zinc mineralisation.

Total Magnetic Intensity on Vertical Greyscale Gradient Magnetic Image

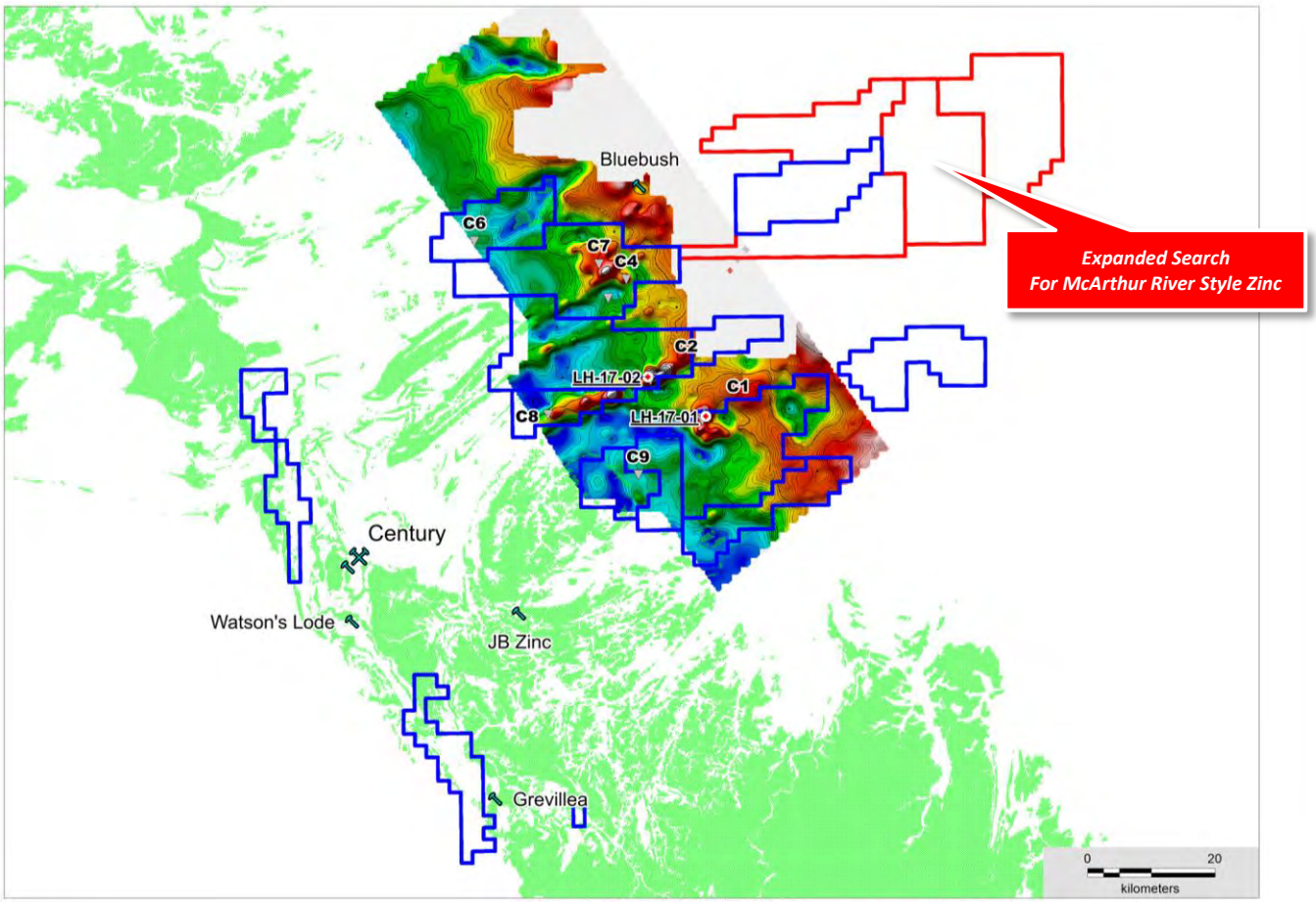
Lawn Hill Project: Zinc-Lead-Silver, Copper

Red Metal's first Lawn Hill drill holes targeting two large electromagnetic conductors C1 and C2 (Figure 6) intersected thick sequences of heavily carbonaceous and pyritic mudstone belonging to the zinc prospective Riversleigh Siltstone that explain the anomalies. Trace element signatures and ratios used on a basin scale to vector towards McArthur River style zinc mineralisation indicate the holes are distal, perhaps greater than 40 kilometres from any metal source (Figure 7).

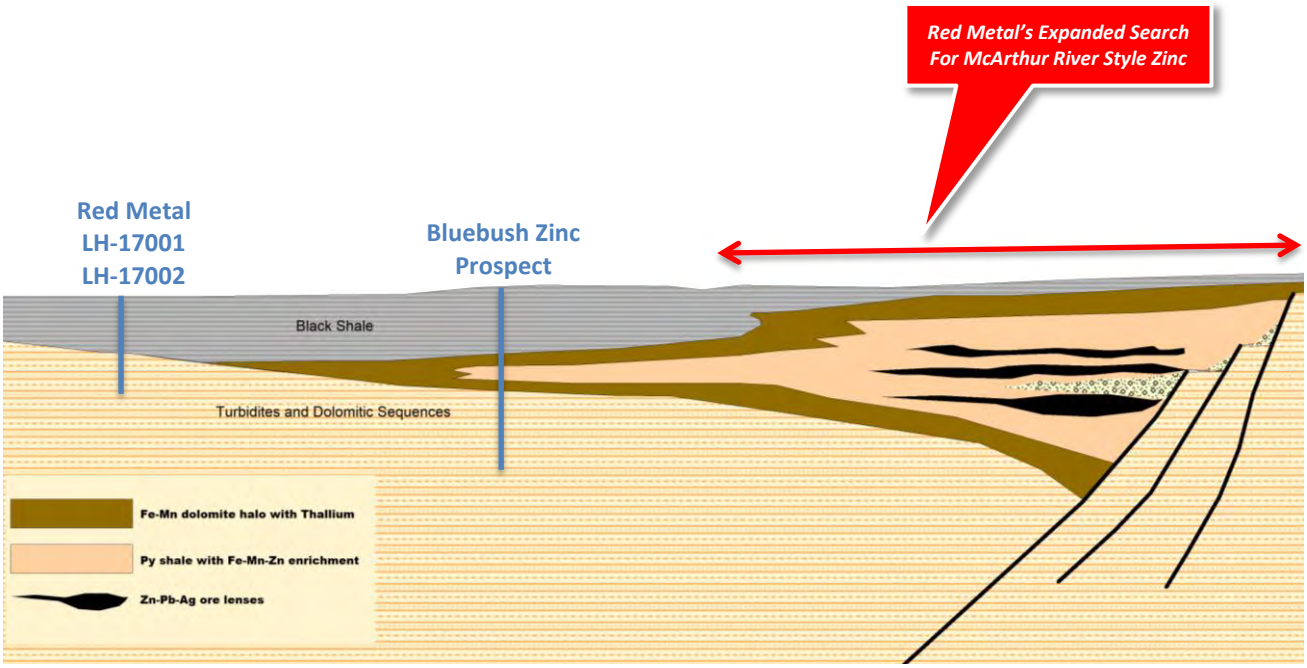
The Bluebush prospect (Figure 6) is an extensive area of historic drilling containing numerous wide intercepts of low-grade stratiform zinc, lead and silver mineralisation indicative of a potential metal source in the greater region.

Last quarter, Red Metal expanded its search for higher-grade McArthur River style zinc mineralsaition east of Bluebush (Figure 6). Red Metal plans to trial, deep penetrating, ground electromagnetic surveying methods over the expanded search area with the aim of mapping thickened regions of the zinc prospective and highly conductive Riversleigh Siltstone. In this region prospective basement rocks occur below 300-400 metres of younger sedimentary cover.

Land access preparations for electromagnetic trials were initiated this quarter.



[Figure 6] Lawn Hill Project: Tenement locations on outcropping Proterozoic geology (light green shading) overlain by VTEM conductivity image showing main conductivity targets (C1 to C9) with zinc mines and prospects.



[Figure 7] Lawn Hill Project: Regional schematic section showing interpreted basin scale position of Red Metal's Lawn Hill drill holes LH17001 and LH17002 relative to the known Bluebush zinc prospect. Red Metal has expanded its search east of Bluebush looking for more proximal locations and growth faults where giant stratiform McArthur River styles of zinc may have been deposited.

Leichhardt and Corkwood Projects: Copper-Gold

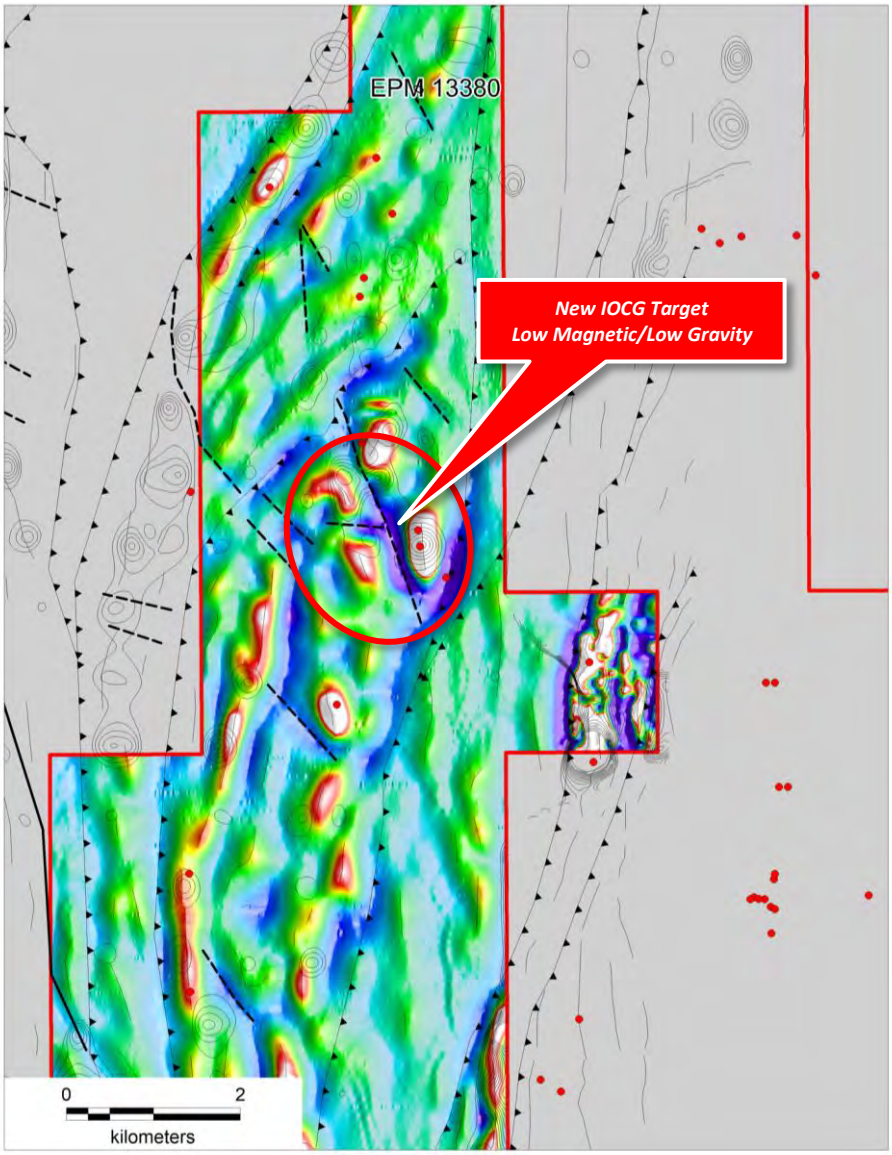
A high resolution airborne magnetic survey was flown over both the Leichhardt and Corkwood tenements last quarter aiding the definition of new, previously untested, Iron-Oxide Copper-Gold (IOCG) target concepts (Figure 10).

These projects are situated about 100 kilometres northwest of Glencore's large Ernest Henry copper-gold mine and about 60 kilometres north of Altona Mining Limited's advanced Little Eva copper-gold deposit (Figure 4).

At Leichhardt, Red Metal's first drill hole on the large Doppler magnetic target intersected magnetite-biotite altered porphyritic intermediate volcanic rock types comparable to the halo alteration that surrounds the Ernest Henry deposit. The new magnetic data over Doppler has revealed both high and very low magnetic zones within the broader anomaly that remain untested. Red Metal speculates that they may reflect zones of increased sulphide mineralisation.

Similarly, the new magnetic data over Corkwood has imaged a very low magnetic cross-cutting structure associated with a deep gravity low (Figure 8). This feature may also relate to a zone of increased sulphides and deeper weathering.

Red Metal will be trialing ground electromagnetic surveying over these new target concepts next quarter.



[Figure 8] Corkwood Project: Vertical gradient reduced to pole magnetic image of new high resolution aeromagnetic overlain by contours of the residual gravity, historic drill holes (red dots) and a structural interpretation. New data highlights a significant low magnetic cross-structure associated with a deep low gravity zone surrounded by a higher magnetic and higher density annulus. Red Metal speculates that deep weathering above a carbonate or feldspar dominant IOCG breccia may give this geophysical response.

Emu Creek Joint Venture: Copper-Gold

The Emu Creek farm-in agreement with Chinova Resources Limited covers a series of geophysical and structural copper-gold targets located within trucking distance of their Osborne copper and gold mine (Figure 4).

This quarter Chinova drilled tested a moderate strength chargeability anomaly on the Little Sandy Creek tenement located nine kilometres northeast of the Osborne Mine. The chargeability anomaly is situated along the same structural trend hosting Chinova's Kulthor deposit (33Mt @ 0.86% Cu and 0.58g/t Au, indicated and inferred JORC 2012). Drilling intersected a wide interval of silicified gneiss containing weak pyrite with a trace of chalcopyrite from 120 metres to the end of hole at 210 metres. Assay results are pending.

Gulf Project: Copper-Gold

Land access preparations for infill gravity surveys were completed this quarter with field programs initiated in late July 2018.

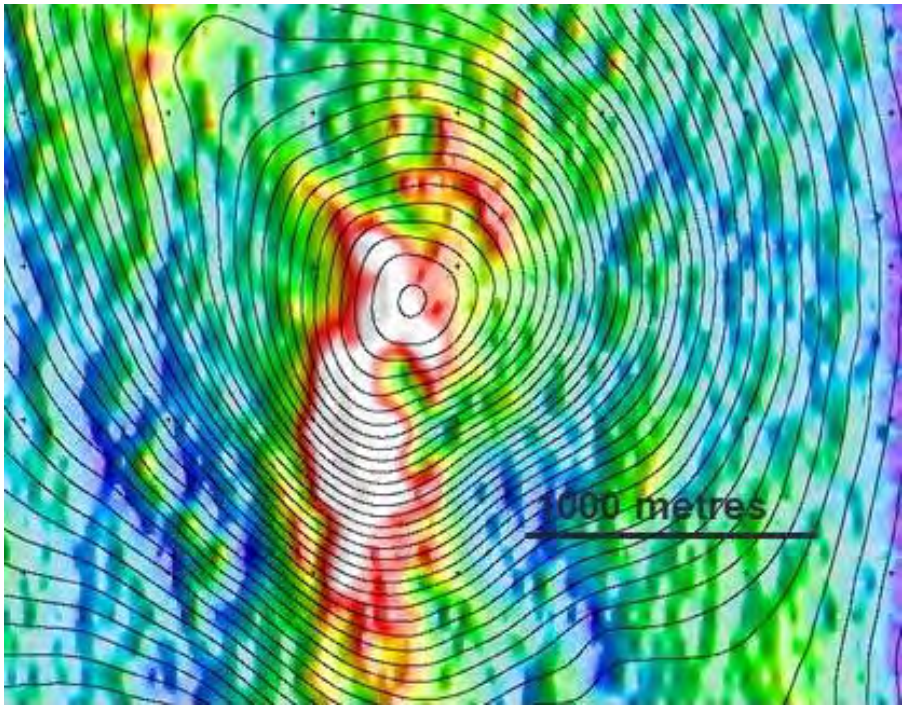
The Gulf copper-gold project (Figures 4 and 10) incorporates multiple exploration tenements over several standout geophysical anomalies in an under explored extension to the Cloncurry terrain which offers scope for large IOCG breccia systems.

A review of public geophysical data has shown that gravity data has only been collected on widely spaced regional grids (4x4 kilometre and 2x2 kilometre) and is too coarse to define ore body size targets for drill testing. Red Metal will be one of the first companies to apply modern, high resolution, infill gravity surveying as an IOCG targeting tool over the Gulf region.

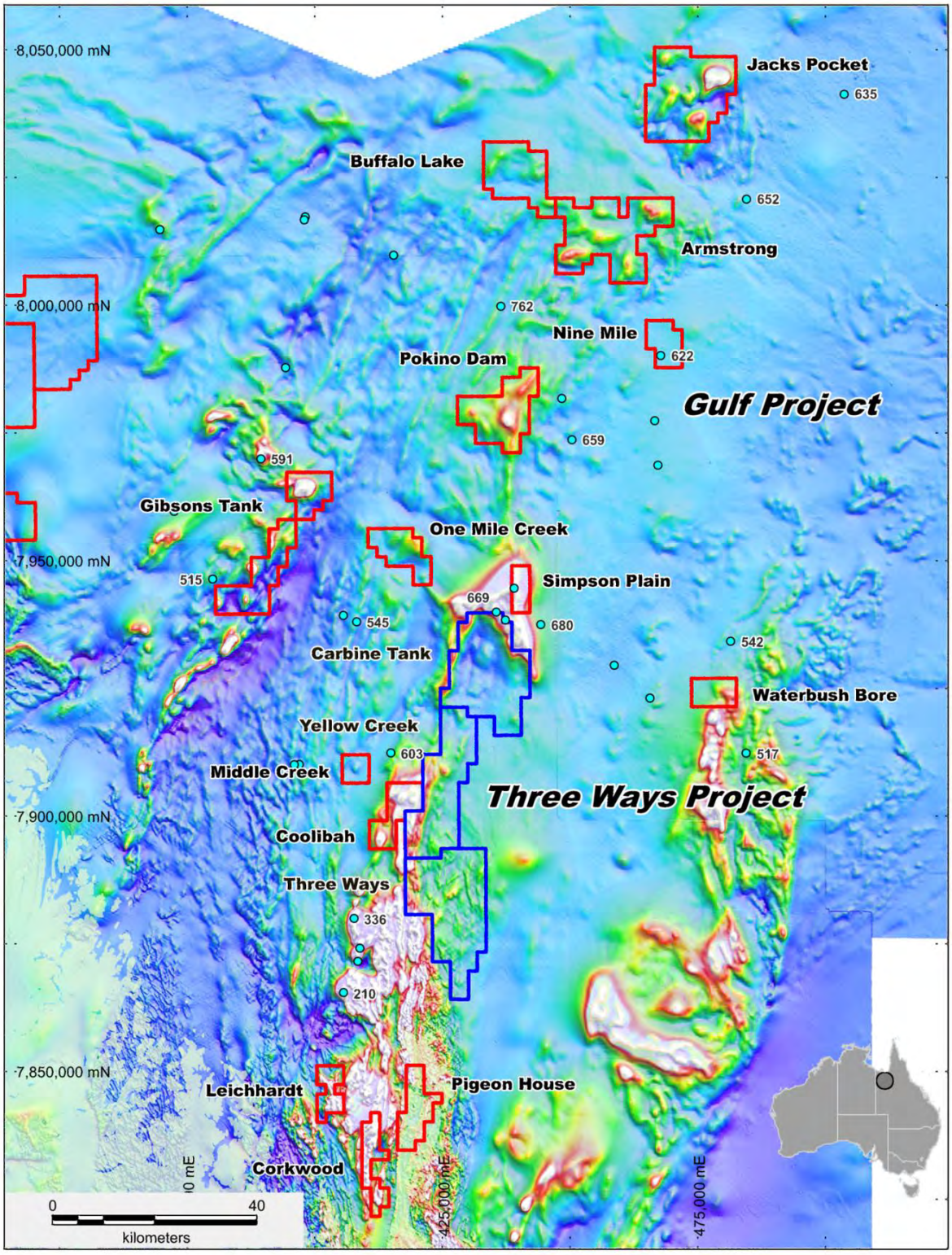
Cannington South Project: Lead-Zinc-Silver

The key target in this project is a Cannington geophysical look-alike called Mount Skipper located 90 kilometres south of the Cannington mine under 400-500 metres of younger sedimentary cover (Figure 9).

South32's large Cannington lead-zinc-silver mine and Red Metal's Maronan lead-silver deposit (Figure 4) were both discovered by drilling a standout bulls-eye magnetic target located within geophysically subdued clastic sequences known as the Mount Norna Quartzite. Red Metal has used regional magnetic and gravity data sets to search for analogous targets in covered terrains south of the Cannington deposit as a priority. The Mount Skipper target resulted from this approach and is proposed to be drill tested during the 2018 field season, dependent upon finalising an access agreement with the land owner.



[Figure 9] Cannington South Project: Mount Skipper residual magnetic image with total magnetic contours.



[Figure 10] Leichardt Project, Corkwood Project, Mount Dromedary North and Gulf Projects: Total magnetic intensity image highlighting regionally project locations and historic basement drill holes with some basement depths labelled.

PATERSON PROVINCE - WA

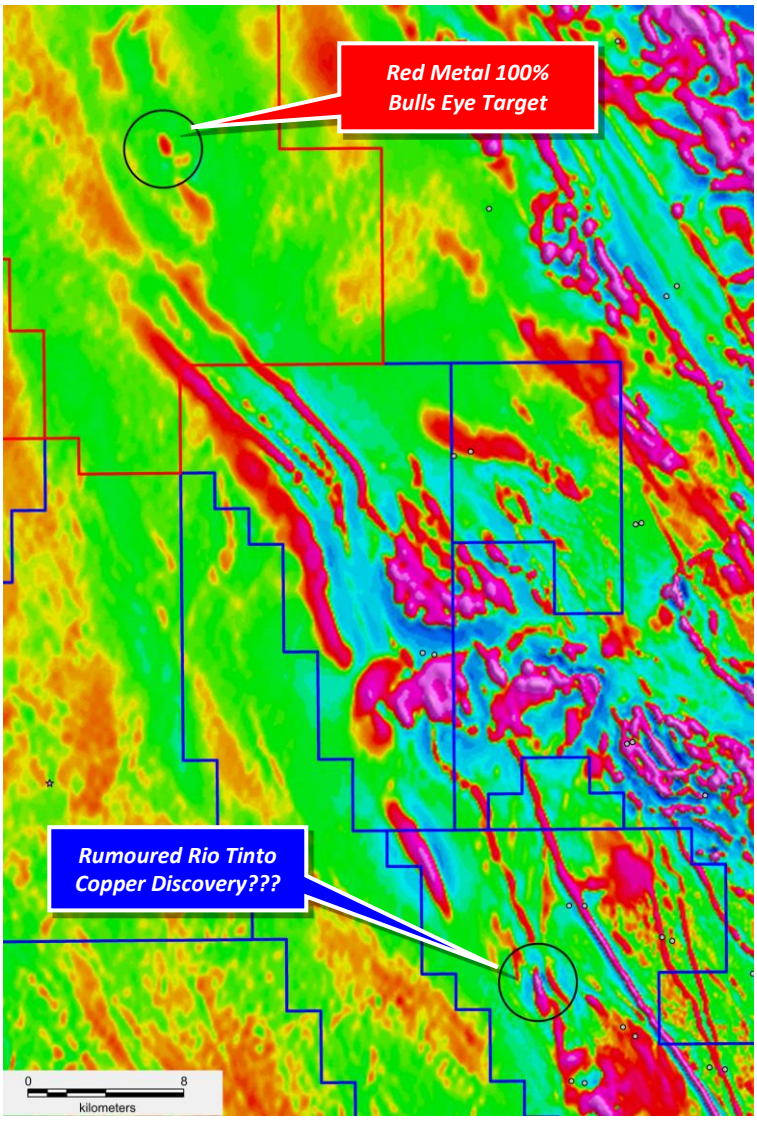
Yarrie Projects: Copper-Cobalt, Zinc-Lead-Silver

Last quarter, Red Metal secured five new exploration license applications covering almost 2,000 square kilometres in this highly prospective base metal province. The new Yarrie project has seen little past exploration but is well located along trend from Metal X Limited's Nifty copper mine (Figure 12) and the rumoured Rio Tinto copper discovery (Figure 11).

New magnetic imagery mapping the northwest extension of the Nifty trend has enabled Red Metal to interpret a series of dome-shaped antiform structures located below 200 to 500 metres of younger sedimentary cover (Figures 12 and 13). These potential dome-shaped features are considered by Red Metal to be highly prospective for giant Sedimentary-Hosted copper-cobalt deposits as occur elsewhere in the province at Nifty (>176Mt @ 1.3% copper) and Maroochydore (48.6Mt @ 1.0% copper).

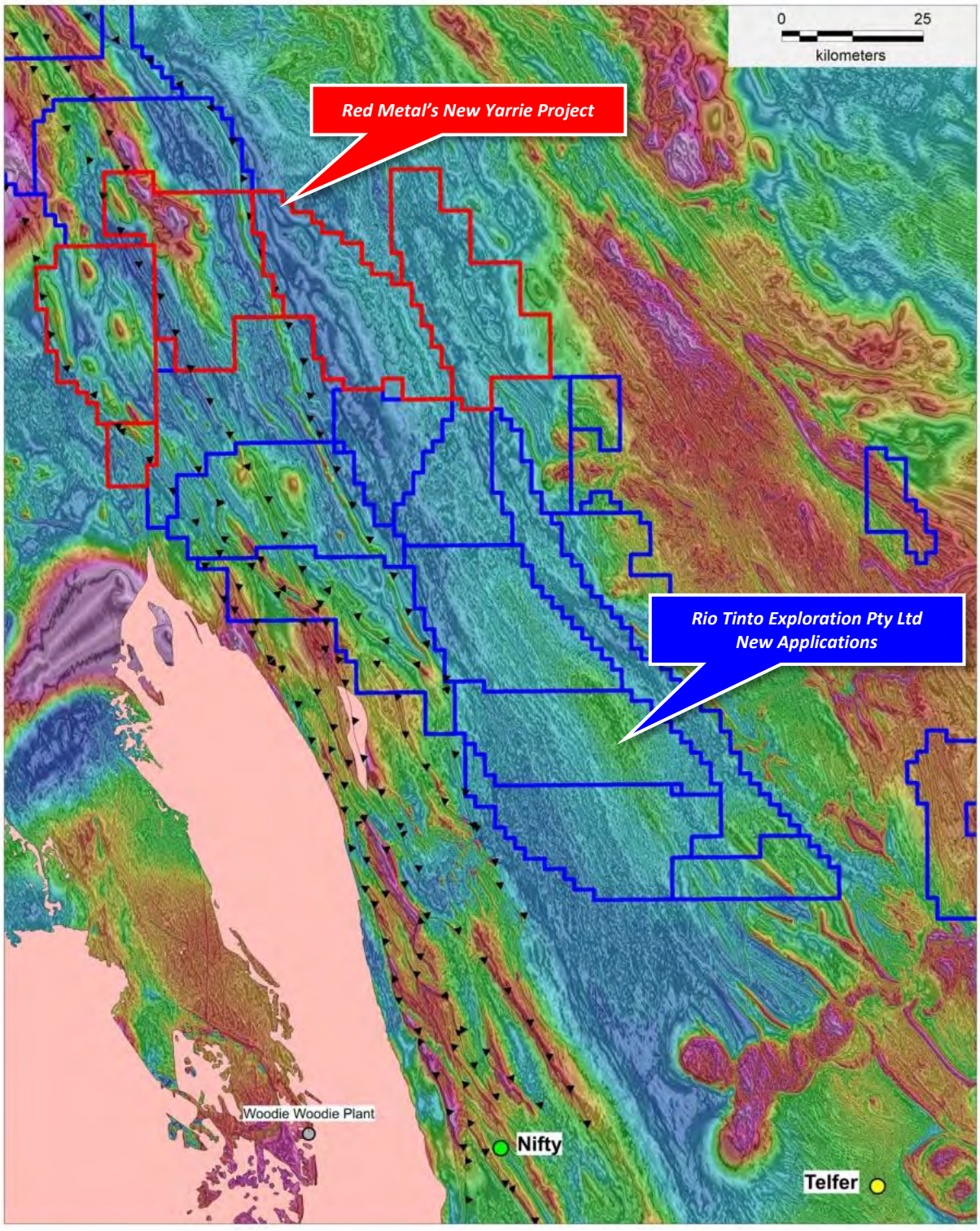
Global examples of Sedimentary-Hosted copper-cobalt deposits include the structure controlled Mount Isa deposit (>225Mt @ 3.3% copper) and more stratabound Kamoa-Kabula deposit (>1.03Bt @ 3.17% copper) - which was recently discovered by Ivanhoe Mines in the Democratic Republic of Congo (refer to Ivanhoe Mines release dated 26 February 2018).

Red Metal is proposing to utilize modern, deep penetrating, ground electromagnetic surveying methods to map prospective stratigraphy and rank the dome-shaped structures (shown in Figure 13) for drill testing.

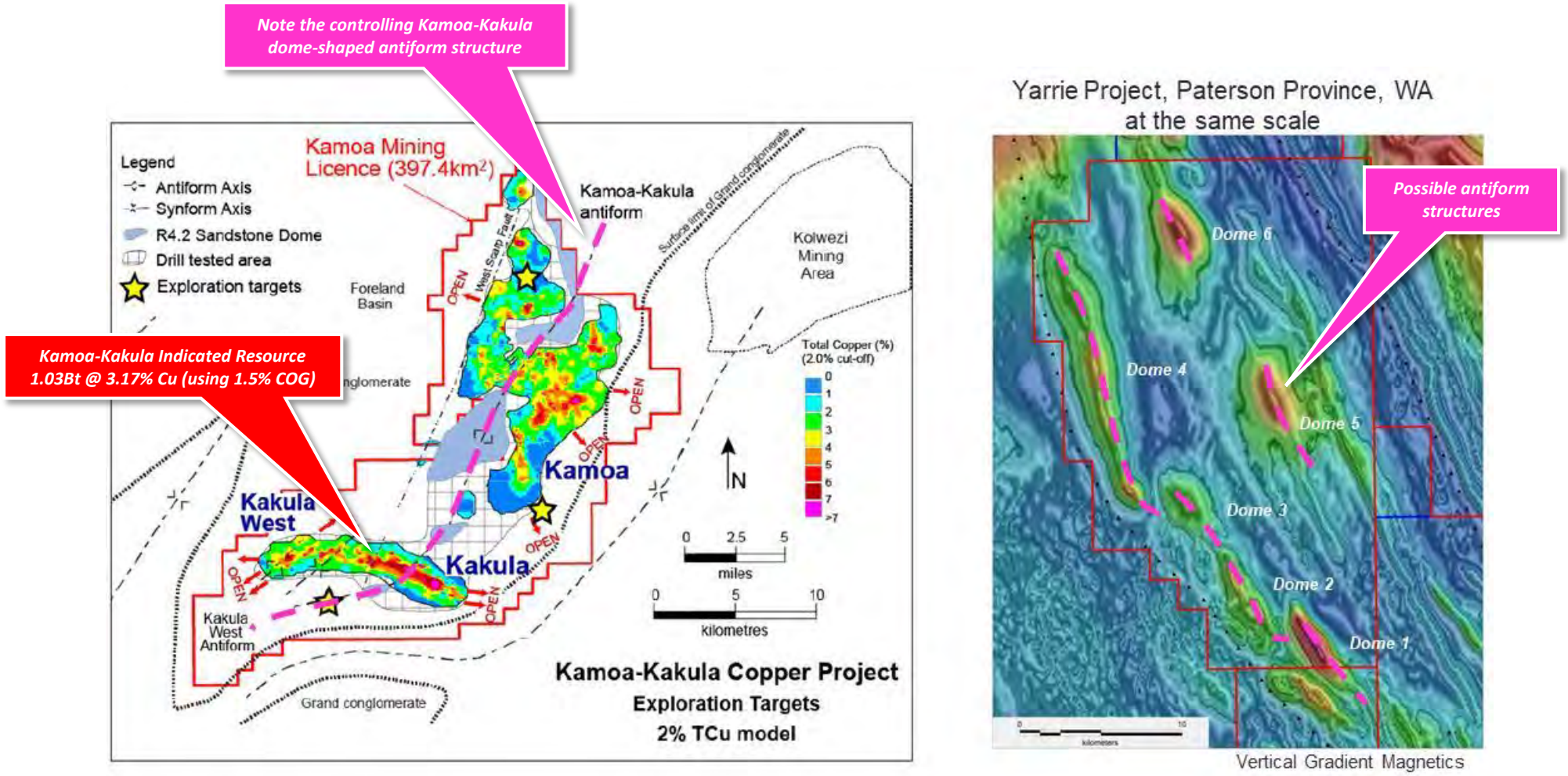


[Figure 11] New "Yarrie" Project: Vertical gradient magnetic imagery highlighting a magnetic feature associated with the location of rumoured Rio Tinto copper discovery and an intriguing bulls-eye magnetic feature on Red Metal's new tenement application along trend to the northwest.

Rio Tinto Exploration Pty Ltd has multiple new exploration license applications surrounding Red Metal's Yarrie applications (Figure 12). Rumours of a potential new copper discovery by Rio Tinto north of Telfer (Figures 11 and 12) were published by journalist Barry Fitzgerald on 6 April 2018 but this remains to be substantiated.



[Figure 12] New "Yarrie" Project: Magnetic imagery with Nifty Mine, Telfer Mine, Red Metal new Yarrie tenement applications (red line) and Rio Tinto Exploration Pty Ltd's new applications (blue line). Note the exposed basement terrain of older Archaean rocks (buff coloured polygon). New data sets from the Geological Survey of Westerns Australia and Geoscience Australia greatly assisted Red Metal's new interpretation.



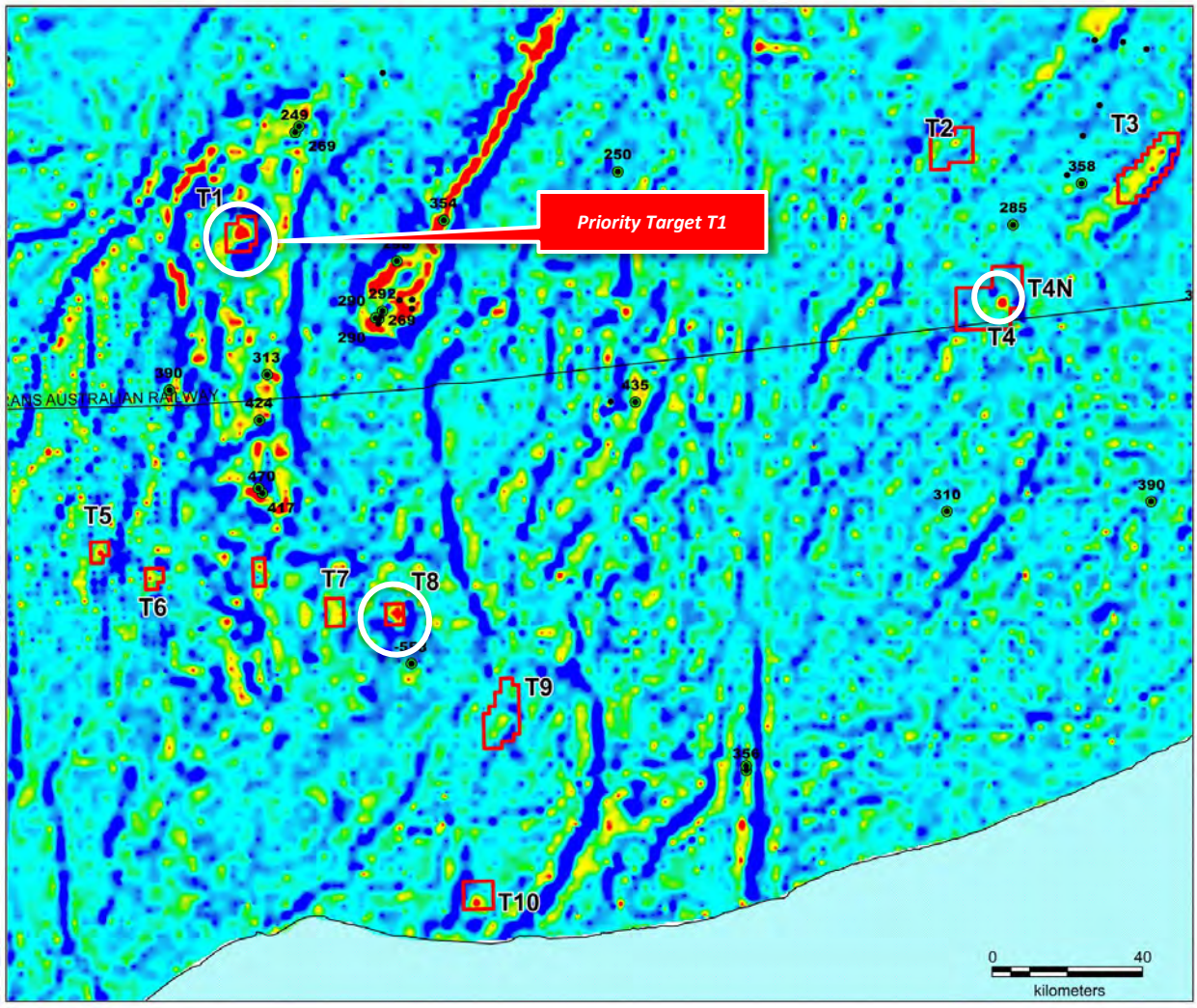
[Figure13] Yarrie Project: Magnetic imagery showing interpreted dome-shaped antiformal structures on the Yarrie project, Paterson Province, Western Australia (Right). Published map of the Kamoa-Kakula deposit, Democratic Republic of Congo (left) highlighting the controlling Kamoa-Kakula antiform. Red Metal interpret antiform-like structures on Yarrie that may offer exploration potential for Sedimentary-Hosted copper-cobalt mineralisation including Kamoa-Kakula deposit types – these new target concepts remain to be evaluated.

COOMPANA AND MADURA PROVINCES - WA

Nullarbor Projects: Copper-Gold, Copper-Nickel

Red Metal has secured a number of key geophysical targets following the release of new geophysical and basement rock data by the Geological Survey of Western Australia (GSWA) and Geoscience Australia (GA) outlining what could be exciting new copper provinces under the Nullarbor Plain of Western Australia (Figure 14). Standouts from this assessment include three, regionally significant, combined gravity and magnetic targets (T1, T4 and T8) considered prospective for IOCG or mafic/ultramafic intrusion hosted nickel-copper mineralisation (Figure 14).

Last quarter, trial ground electromagnetic surveys and geophysical modelling were completed over the T1 and T4 targets to assist with their ranking. Although conductivity responses indicative of possible massive sulphides were not detected, scope for a large volume of dense rock containing disseminated or stockwork styles of sulphides may still exist.



[Figure 14] Red Metal Nullarbor Projects: Vertical gradient gravity colour image showing main tenements and existing drill-hole locations. Drill holes that intersected basement rocks are labelled with the depth to basement (metres). Note the standout T1, T4 and T8 targets (circled white). Recent research suggests potential for new copper provinces under the Nullarbor Plain of Western Australia.

OTHER PROJECTS

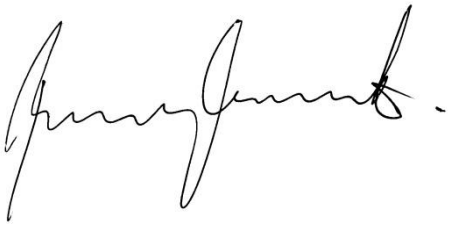
Red Metal's other projects are briefly summarised below in Table 1.

[Table 1] Red Metal Limited: other projects.

Project	Description	Status
QUEENSLAND		
Mt Dromedary North *Graphite*	Covers northward extension of the large Mount Dromedary graphite trend defined from airborne electromagnetic imagery.	Drill ready, seeking third party funding.
SOUTH AUSTRALIA		
Barton *Zircon, Titanium & Au*	Large tonnage, low-grade heavy mineral sand deposit discovered in Eucla Basin near Iluka's Ambrosia zircon mine. Gold potential in underlying basement shear zones remains untested.	Scope for higher grade of HM identified. Seeking third party funding.
Frome JV *Cu-Au*	Red Metal has recognized the potential for large Iron-Oxide Copper and Gold deposits (IOCG) along the northern margin to the Curnamona Province. Several large magnetic and gravity targets remain to be tested for their copper potential.	Ranking with electro-magnetic surveying.
NORTHERN TERRITORY		
Tennant Creek *Cu-Au-Bi*	Four Tennant Creek style "bulls eye" magnetic targets which offer scope for shallow, high-grade styles of copper and gold mineralisation. Encouraging low-level copper and bismuth anomalism was measured in transported soil cover sampled above three of the magnetic targets.	Drill ready
Mallapunyah *Pb-Zn-Ag & CuAgCo*	Application on Aboriginal Land located within the McArthur Basin targeting zinc-lead-silver deposits similar to the giant McArthur River and Century mines as well as sedimentary-hosted styles of copper mineralisation. Recent success on the Teena project by Teck has highlighted the potential for additional deposits within this fertile terrain	Joint venture with MMG Establishing access agreement

For further information concerning Red Metal's operations and plans for the future please refer to the recently updated web site or contact Rob Rutherford, Managing Director at:

Phone +61 (0)2 9281-1805
Fax +61 (0)2 9281-5747
www.redmetal.com.au



Rob Rutherford
Managing Director

Russell Barwick
Chairman

The information in this report that relates to Exploration Results and estimates of Mineral Resources for the Maronan Project was previously reported by the Company in compliance with JORC 2012 in various market releases with the last one being dated 18 July 2018. The Company confirms that it is not aware of any new information or data that materially affects the information included in those earlier market announcements and, in the case of the estimate of Mineral Resources all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

The information in this report that relates to Exploration Results is based on and fairly represents information and supporting documentation compiled by Mr Robert Rutherford, who is a member of the Australian Institute of Geoscientists (AIG). Mr Rutherford is the Managing Director of the Company. Mr Rutherford 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" (the JORC Code). Mr Rutherford consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

ADDENDUM TO JUNE 2018 QUARTERLY ACTIVITIES REPORT

Granted exploration tenements held are as follows:

Project / Location	Tenement Reference	Company Interest %	Comment
Western Isa	EPM 12653	100	
Cannington South	EPMs 19232, 19531, 25842, 25871	100	
Chinova JV	EPMs 15385, 16251	100	Refer note 1.
Maronan	EPM 13368	100	
Corkwood	EPMs 13380, 26032, 26125, 26436	100	
Lawn Hill	EPMs 25902, 25904, 25905, 25907, 25912, 25985, 26116, 26157, 26293, 26402, 26406, 26407	100	
Gulf	EPM's 26434, 26654, 26655, 26656, 26657	100	
Barton	EL 5888	100	
Callabonna JV	EL 5360	-	Refer note 2.
Pernatty Lagoon JV	EL 6035	87.4	Refer note 3.
Punt Hill JV	EL 6014	100	Refer note 4
South Gap	EL 5996	100	
Tennant Creek	EL 24009	100	
Irindina	EL27266	100	
Nullarbor	ELs 3428, 3429, 3430, 3432, 3433, 3434, 3436, 34347, 3438, 3439, 3441, 3494	100	

Notes:
1. Joint venture between Red Metal (diluting to 30%) and Chinova Resources (Osborne) Pty Ltd (earning 70%). No change in interest during the quarter.
2. Joint venture between Red Metal (earning 70%) and PlatSearch NL now Variscan Mines Limited (diluting to 30%). No change in interest during the quarter.
3. Joint venture between Red Metal (87.39%) and Havilah Resources NL (12.61%). New joint venture between Red Metal (diluting) and OZ Exploration Pty Ltd (earning 70% from Red Metal)
4. Joint venture between Red Metal (diluting to 30%) and OZ Exploration Pty Ltd (earning 70%).

+Rule 5.5

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

RED METAL LIMITED

ABN	**Quarter ended ("current quarter")**
34 103 367 684	30 JUNE 2018

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(269)	(1,359)
	(b) development		
	(c) production		
	(d) staff costs	(165)	(648)
	(e) administration and corporate costs	(39)	(249)
1.3	Dividends received (see note 3)		
1.4	Interest received	16	43
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)		
	Other – Government grant	-	175
	Other – R+D tax refund	60	60
1.9	**Net cash from / (used in) operating activities**	**(397)**	**(1,978)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	(1)
	(b) tenements (see item 10)		

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
	(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 (provide details if material)		
2.6	**Net cash from / (used in) investing activities**	**-**	**(1)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	-	1,863
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	-	(123)
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)		
3.10	**Net cash from / (used in) financing activities**	**-**	**1,740**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	2,373	2,215
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(397)	(1,978)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(1)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	1,740

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**1,976**	**1,976**

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	326	173
5.2	Call deposits	1,650	2,200
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**1,976**	**2,373**

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	78
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

Directors remuneration

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

8.	**Financing facilities available** *Add notes as necessary for an understanding of the position*	**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.

9.	**Estimated cash outflows for next quarter**	**$A'000**
9.1	Exploration and evaluation	400
9.2	Development	
9.3	Production	
9.4	Staff costs	150
9.5	Administration and corporate costs	75
9.6	Other (provide details if material)	
9.7	**Total estimated cash outflows**	**625**

10.	**Changes in tenements (items 2.1(b) and 2.2(b) above)**	**Tenement reference and location**	**Nature of interest**	**Interest at beginning of quarter**	**Interest at end of quarter**
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	EL5404 (SA)	Granted tenement	100	-
10.2	Interests in mining tenements and petroleum tenements acquired or increased	EPM's 26434, 26654, 26655, 26656, 26657 (QLD); EL27266 (NT).	Granted tenements	-	100

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: July 2018
(Company secretary)

Print name: Patrick Flint

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.