

31 July 2018

Australian Securities Exchange  
Level 5, 20 Bridge Street  
SYDNEY NSW 2000



## ASX ANNOUNCEMENT

### QUARTERLY REPORT: 1 April to 30 June 2018

#### HIGHLIGHTS

- **Group resources increased 39% to 5.1Moz (34.7Mt @ 4.62g/t Au, 24% Measured and Indicated, 76% Inferred)**<sup>1</sup>
- **Capital raising of A\$5m announced in May**<sup>2</sup>
- **High grade, open-cut orientated, drill results continuing including 126g/t Au from 33m (DDBH21) reported**<sup>3</sup>
- **Open-cut strategy remains the current focus, Scoping Study underway in preparation for later Feasibility Study**
- **Capital cost estimates for TGME CIL process plant production re-commencement expected to be announced 3Q'18**

#### EXECUTIVE SUMMARY

During the June quarter, the TGME gold project continued to progress towards development, with ongoing drilling at Theta Hill, and a 39% increase in gold resources to 5.1Moz (34.7Mt @ 4.62g/t Au (Figure 1, Table 1, following). Drilling and Trenching Work (Figure 2) was completed, confirming the open cut potential of the project. Drilling is ongoing ahead of the planned maiden JORC (2012) resource publication (Figure 3).

A Scoping Study is underway into the Theta Hill open-cut mine (Figure 4) with further drilling and engineering studies ongoing. The company remains focused on a near-term, low cost re-start of gold production initially through exploitation of high grade open cut resources as the platform for a staged open-cut approach followed by underground redevelopment of this giant gold-field.

A range of scenarios for the refurbishment of the CIL Plant at TGME has been evaluated internally and through the Company's consultants and contractors, and continue to be refined in terms of optimal configuration and costs. The Company has engaged the services of Minxcon for the resource and mining study work, METS International for the process plant study and EPOCH Resources for a review of the tailings dam. The company aims to announce the outcomes of the scoping study work which will include capital and operating cost estimates, once in a position to do so.

<sup>1</sup> Refer to ASX Release dated 01/05/2018

<sup>3</sup> Refer to ASX Release dated 4/05/2018

<sup>2</sup> Refer to ASX Release dated 10/05/2018

The company expects a new resource upgrade next quarter when the first phase Theta Hill drilling is completed. Theta Hill is not included in the current resource table (Appendix 1). Theta Hill is expected to provide a resource suitable for open cut, situated within 2 km by road from the fully permitted TGME CIL plant and tailings dam.

Work on underground access and dewatering continues at Rietfontein, with the aim of being in a position to extract samples for metallurgical testwork from the underground workings, and prepare for resource drilling.

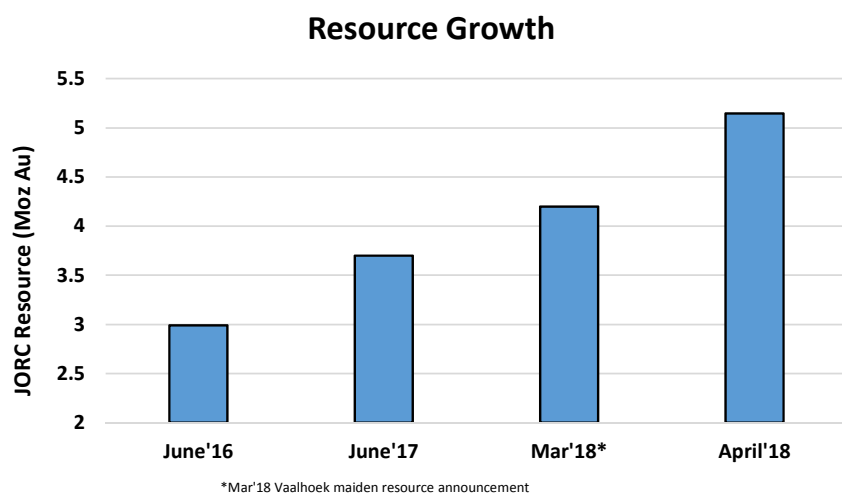


Figure 1) Group Resource Growth History (JORC, 2012)

## CORPORATE

### Cash position

As at 30 June 2018, the Group had \$265,000 in cash.

The Company announced a A\$5m capital raising in early May, 2018 pursuant to a Subscription Agreement (“Agreement”) on the following terms and conditions:

- Tranche 1 placement of \$2,000,000 worth of Shares at an issue price of \$0.011 per Share within 30 days of the Agreement (Tranche 1 Shares). The Tranche 1 Shares were issued by the Company on 10 May 2018 and 5 June 2018, respectively
- Tranche 2 placement of \$3,000,000 worth of Shares at an issue price equal to the 20 day VWAP as determined immediately before the issue of all or each part of these Shares (Tranche 2 Shares)
- Completion of Tranche 2 within 60 days of shareholder approval (“Completion Date”)

Both Tranche 1 Shares and Tranche 2 Shares will be escrowed for 12 months from the Completion Date.

The company continues to proactively manage its cash flow requirements to ensure that funds are available, including from capital raisings, as and when required.

## **Appendix 5B**

An Appendix 5B (Mining Exploration Entity Quarterly Report) is attached.

The Group incurs significant fixed costs in support of its exploration activities in South Africa, some of which are indirect exploration expenditure. These fixed costs have been maintained in anticipation of the successful conclusion of exploration activities leading to the development and production of gold from the Group's mining rights. Up until 31 December 2017, all such indirect exploration expenditure was reported in the Appendix 5B as part of administration and corporate costs. To better reflect the nature of the costs incurred for the year ended 30 June 2018, indirect exploration expenditure for the 6 months to 31 December 2017 amounting to \$590,000 have been re-classified and reported as exploration and evaluation costs.

### **Shareholders Meeting**

The Company has convened a shareholders meeting to be held on Friday 10 August 2018, to consider a number of resolutions, including approval for the issue of shares under the Agreement referred to above, ratification of prior issues of shares and options, the issue of shares and options to directors in settlement of outstanding fees and salary and the issue of shares to a director-related entity on conversion of a convertible note.

### **Dispute with AMCU**

As previously reported, a subsidiary of the Company was in dispute with the Association of Mineworkers and Construction Union (AMCU) in South Africa relating to an allegation of unfair dismissal. The employees were claiming re-instatement with back pay to their date of dismissal or 12 months' salary as compensation for their alleged unfair dismissal. The matter was heard in the Labour Court of South Africa in March 2018 and the Court ruled in the Company's favour. AMCU has been granted leave to appeal the decision.

### **Shandong Arbitral Award**

As previously reported, on 1 September 2016, the Tribunal of the Hong Kong International Arbitration Centre (HKIAC) delivered the Arbitral Award in favour of Stonewall in its damages claim against Shandong Qixing Iron Tower Co. Ltd (now known as Northcom Group Limited) ("Northcom"), arising from the non-completion by Northcom of an agreement to acquire the South African subsidiary of the Company.

The current value of the award, costs plus interest at 30 June 2018 was US\$17.6 million. The Company had entered into a funding agreement with a consortium which is entitled to 45% of the award plus reimbursement of the costs they have funded.

The Company continues to work with its legal advisers on enforcing the award.

### **Developments post the quarter**

Infill drilling at DG4 prospect on the Lower Theta and Beta Reef targets at Theta Hill continues (Figure 3).

In total over 5,400m of drilling has been completed at Theta Hill, with further drilling planned to bring up those areas of Inferred resources into Indicated where possible and incorporate results into a Scoping Study. A maiden JORC (2012) resource for Theta Hill is expected to be published this quarter.

The work program in Q3 will be focused on finalising resource estimates at Theta North and DG4, with infill RC drilling in these localities. The relevant geological modelling derived through the drilling programs, and conceptual mine plans are expected to be reported to the ASX during Q3.

An RC drilling program has been designed for Vaalhoek, with road access and drill pad construction planned, the timing for commencement in part depending on Theta Hill progress and other capital requirements. Depending on timing and funding, drilling at Columbia Hill is also planned to follow on after further evaluation drilling is completed at Theta North.

Table 1) The Combined Mineral Resources for Stonewall as at April 2018

Resource Classification	Type of Operation	Tonnage	Gold Grade	Gold Content	
		Mt	g/t	Kg	koz
Measured	Underground	0.09	5.37	489	15.7
<b>Total Measured</b>		<b>0.09</b>	<b>5.37</b>	<b>489</b>	<b>15.7</b>
Indicated	Underground	4.77	6.21	29,661	953.7
	Open Pit	1.95	2.02	3,935	126.5
	Tailings	5.24	0.83	4,373	140.6
<b>Total Indicated</b>		<b>11.97</b>	<b>3.17</b>	<b>37,969</b>	<b>1,221</b>
Inferred	Underground	21.45	5.22	111,880	3597
	Open pit	1.01	9.44	9,528	306
	Tailings	0.02	0.57	13	0.40
	Rock Dump	0.12	1.64	199	6.40
<b>Total Inferred</b>		<b>22.61</b>	<b>5.38</b>	<b>121,620</b>	<b>3,910</b>
<b>Grand Total</b>		<b>34.66</b>	<b>4.62</b>	<b>160,079</b>	<b>5,147</b>

The recently revised Mineral Resource estimate has a new cutoff and geological loss parameters. Cutoffs applied are now 160cm.g/t for underground Mineral Resources, 0.5g/t Au (within open-pit shells) for the open pit Mineral Resources and 0.35g/t Au for tailings Mineral Resources. This resource is expected to be increased in the September quarter with the maiden Theta Hill open-cut resource.

## TGME PROJECT SOUTH AFRICA (SWJ: 74%)

### Theta Hill

Evaluation of the Theta Hill Open Cut project (Figure 2) has progressed with up to 3 drilling rigs (RC & Diamond) in operation at the site during the previous quarter, along with the completion of 10 trenches evaluating surface expressions of Lower Theta and Bevetts' mineralisation (Figure 3). Results previously reported include 38m @ 1.28g/t Au (including 18m @ 1.69g/t Au) in Trench E.

Results have been encouraging to the point where a RC drilling program has been extended during Q3 to aid in delineation of JORC resources.

Encouraging assays were received from Theta Hill, examples of intersections reported during the quarter include:

- **1m @ 126g/t Au from 33m (DDBH21) – Bevetts Reef and;**
- **2m @ 5.3g/t Au from 49m (DDBH21) – Lower Theta reef**
- **1m @ 17.9g/t Au from 10m (RCBH66) - Lower Theta reef**

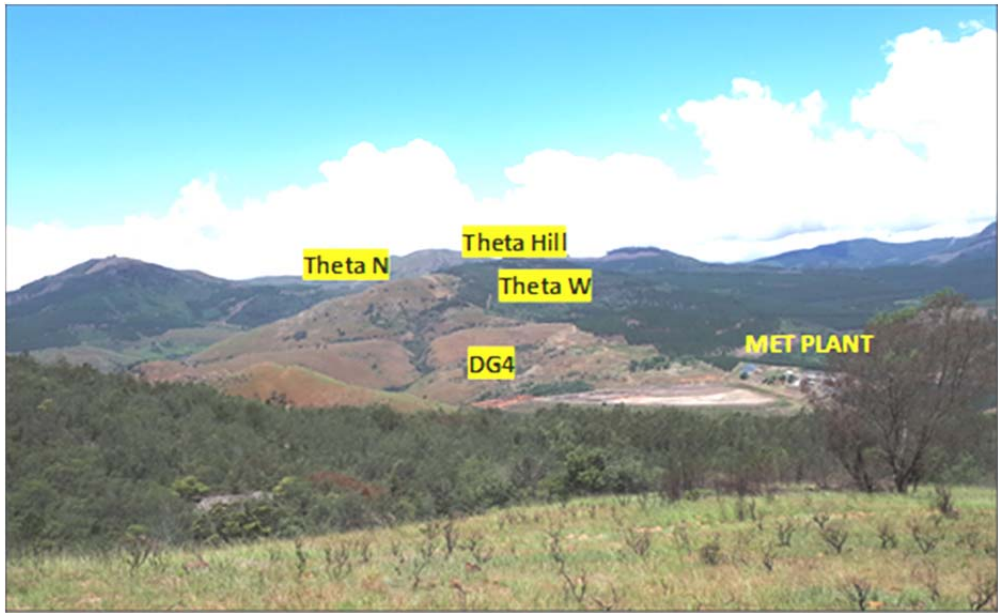


Figure 2) Aerial view of prospects in vicinity of TGME plant

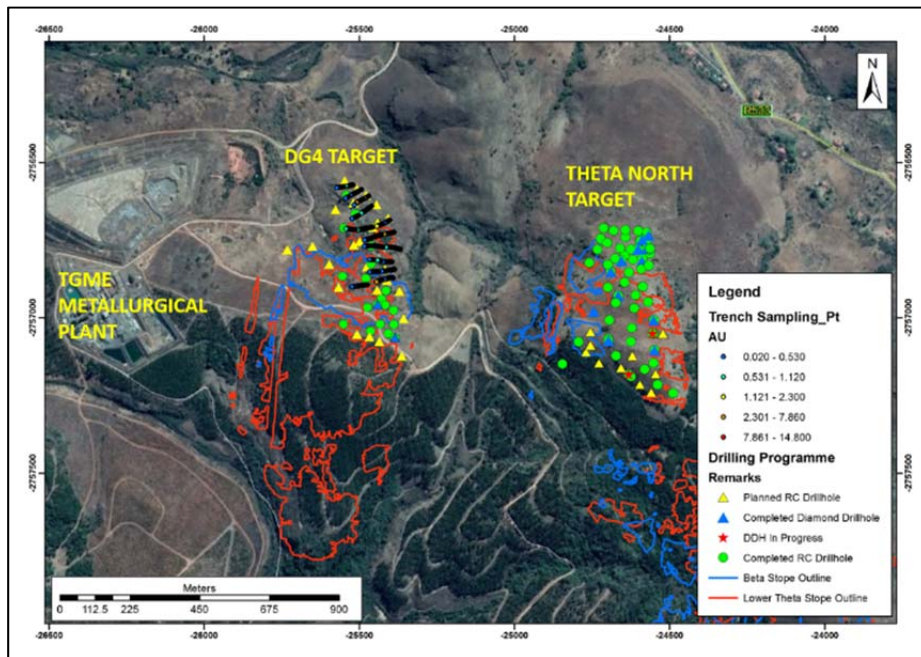


Figure 3) Current status of exploration drilling and trenching locations at Theta Hill



Figure 4) Aerial view of trenching at the DG4 prospect, part of Theta Hill

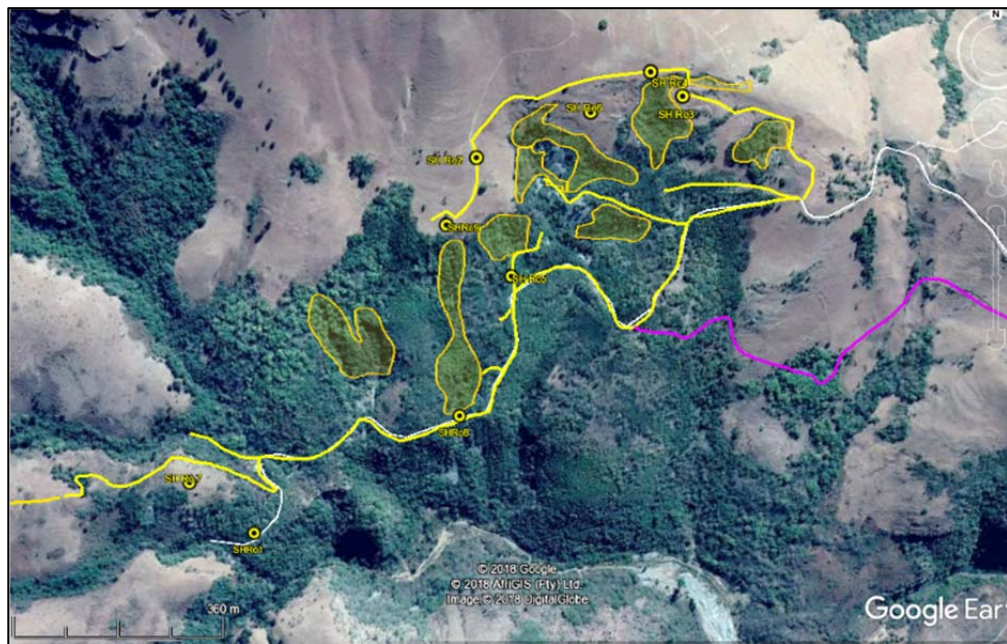


Figure 5) Target areas for drilling 3Q-4Q, Columbia Hill

The company continues to progress development of open cut deposits and has commenced various scoping level engineering studies as a precursor to planned preliminary feasibility studies to be undertaken in 2018.

The company's independent geological consultants, Minxcon, continue to develop an Independent Scoping Study based on the open-cut orientated drilling to date. This Scoping Study is developing

preliminary mine-plans including evaluating the mining methodology. First pass capital and operating cost estimates are being developed for Theta Hill, including Theta Hill North and DG4 areas. Stonewall is coordinating the interface of other consultants such as METS International for processing and tailings evaluations. The overall Scoping Study is due for completion by Minxcon in coming weeks.

Established in 2005, Minxcon is a multi-faceted South African resource advisory company offering a wide range of exploration, resource, mining, metallurgical, financial valuation and advisory services to both local and international companies. Stonewall Resources, through its wholly owned South African entity Stonewall Mining, has had a long standing relationship with Minxcon since 2009. Minxcon were also involved with the project area under previous owners and therefore also bring corporate history to the project development strategy.

METS International, a Johannesburg based, South African group, has been engaged by Stonewall to provide the process engineering and tails deposition design required on the fully permitted TGME plant and for the open-cut Scoping Study. Established in 1964 to provide comprehensive mining engineering solutions to its clients, METS has grown into an internationally recognised design and management company, specialising in the design of all mine infrastructure. The service offering extends to project management, mineral process engineering and resources for owner's project teams. METS have delivered several gold projects in South Africa including several brownfields and greenfields projects of similar size and relevance to TGME's requirements.

In early July 2018, METS Engineers and their subcontractors for the tailings deposition work, Epoch, along with TGME representatives undertook a detailed site review to assess the plant and tailings dam condition and provide an initial determination of the capital and operating costs. The TGME CIL plant and tailings facility last operated in 2015 (Figures 6, 7) and is fully permitted for operations.



*Figure 6) METS Engineers inspecting the TGME plant as part of capital cost assessment*



Figure 7) Engineering workshop following METS site review - as part of progress towards finalisation of the planned refurbishment cost estimates. SWJ directors/management from left: George Jenkins, Bill Guy, and Rob Thomson

Given that the material to be processed is largely oxidised, the plant will be refurbished and upgraded to a conventional Carbon In Leach (CIL) operation as demonstrated by the process flow diagram below.

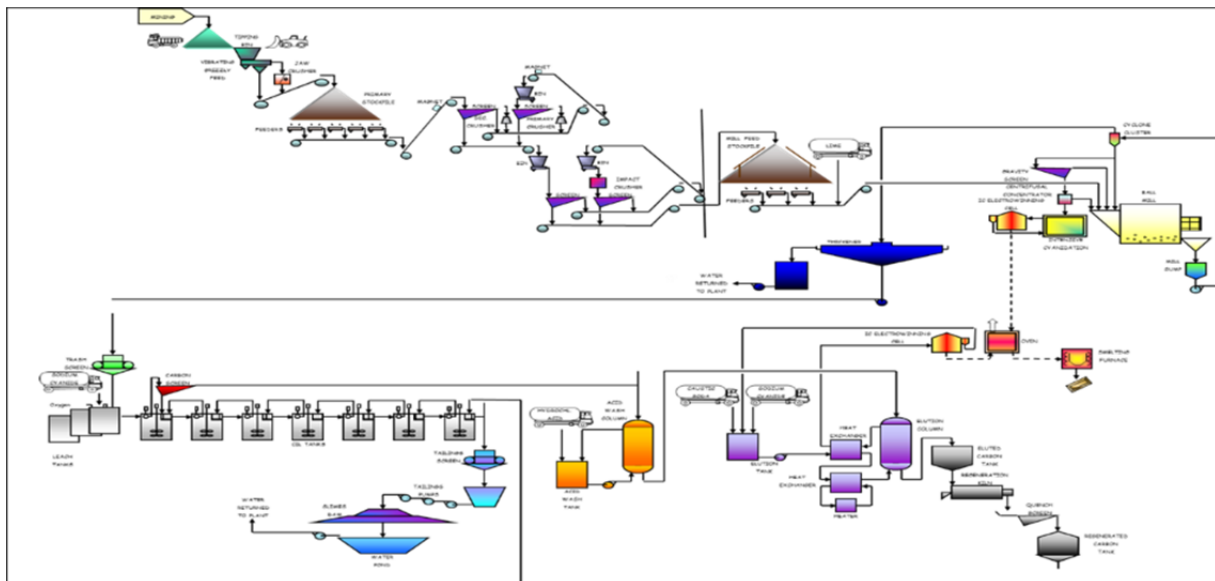


Figure 8) Proposed process flow sheet for the CIL plant

METS have determined that some elements of the plant can be refurbished and that other elements need to be upgraded or replaced. The crushing and milling sections need to be fully replaced as the current equipment is undersized or beyond repair. Some of the tanks will be re-used as well as the elution section and gold room. An initial capital estimate for a 480 Ktpa plant operation is in progress.

### Rietfontein

Extensive work has been completed to lower the level of the natural decant at Rietfontein in order to lower the water to below 4 level in the mine. Once the water level has reduced, the area will be made



safe in order to access the mine for the purposes of obtaining samples for metallurgical test work as well as developing underground drilling points for further resource definition.

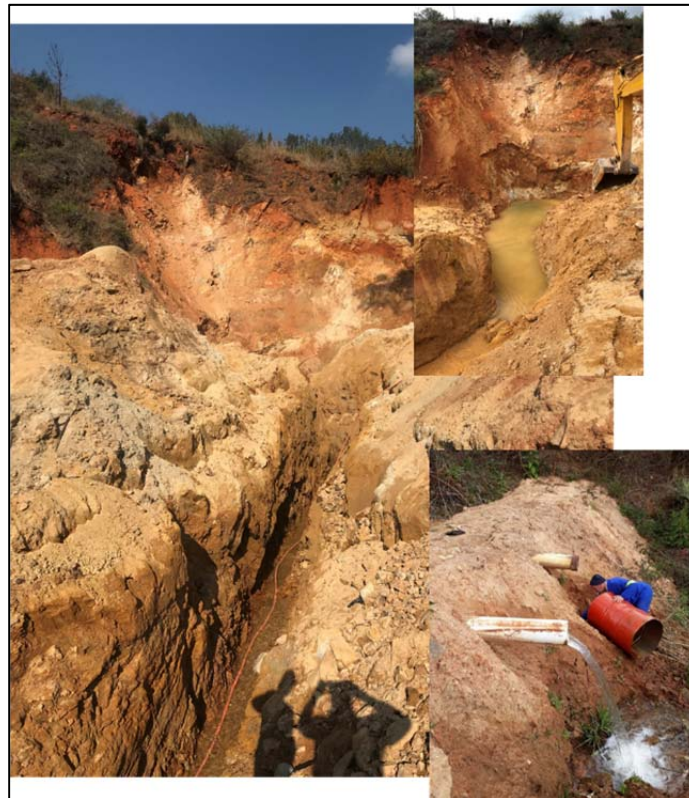


Figure 9) Dewatering progress at Rietfontein

## Plans for 2H 2018

The focus remains on progress towards declaration of maiden open cut resources, followed by reserves, at the Theta Hill open-cut project. Theta Hill is the starter project, potentially enabling a low cost, profitable recommencement of gold production in the shortest possible timeframe.

The Company notes a number of analyst reports published in recent months, which consider the low cost potential of the TGME gold project.

Directors and Management remain committed to restoration of value in the company and believe the current strategy offers the best opportunity for a gold mining project that is intended to maximise returns for shareholders, and be one of the lowest cost producers in South Africa.

## Competent Persons Statement

### Mineral Resources

The information in this report relating to Mineral Resources is based on, and fairly reflects, the information and supporting documentation compiled by Mr Uwe Engelmann (BSc (Zoo. & Bot.), BSc Hons (Geol.), Pr.Sci.Nat. No. 400058/08, MGSSA), a director of Minxcon (Pty) Ltd and a member of the South African Council for Natural Scientific Professions. The original report titled "Group Gold Mineral Resources increase 39% to 5.1Moz" was dated 1 May 2018 and released to ASX on that date.

### Theta Hill Drilling Results

The information in this report relating to the Theta Hill Drilling Results is based on, and fairly reflects, the information and supporting documentation compiled by Mr Phil Bentley (MSc (Geol), MSc (MinEx), Pr.Sci.Nat. No. 400208/05, FGSSA), a consultant to the Company and a member of the South African Council for Natural Scientific Professions. The original report titled "126g/t Au from Drilling at Theta Hill" was dated 10 May 2018 and released to ASX on that date.

The Company confirms that –

- it is not aware of any new information or data that materially affects the information included in the ASX announcements; and
- all material assumptions and technical parameters underpinning the estimates in the ASX announcements continue to apply and have not materially changed.

## **ABOUT STONEWALL RESOURCES LIMITED**

Stonewall Resources Limited (ASX: SWJ) is a gold development company that holds a range of prospective gold assets in a world-renowned South African gold mining region. These assets include several surface and near-surface high-grade gold projects which provide cost advantages relative to other gold producers in the region.

Stonewall's core project is TGME, located next to the historical gold mining town of Pilgrim's Rest, in Mpumalanga Province, some 370km east of Johannesburg by road or 95km north of Nelspruit (Capital City of Mpumalanga Province).

Following small scale production from 2011 – 2015, the Company is currently focussing on the refurbishment of the existing CIL plant and nearby mines with the intention of resuming gold production.

The Company aims to build a solid production platform to over 100kozpa based primarily around shallow, open-cut or shallow adit-entry, hard rock mining sources. Stonewall has access to over 43 historical mines and prospect areas that can be accessed and explored, with historical production of over 6.3Moz recorded in the tenement areas.



For more information please visit: [www.stonewallresources.com](http://www.stonewallresources.com) , or contact:

#### **General Enquiries**

**Rob Thomson, Managing Director**

**Stonewall Resources Limited**

M: +61 409 843 963

[robt@stonewallresources.com](mailto:robt@stonewallresources.com)

or

#### **Investor Enquiries**

**Bill Guy, Director**

**Stonewall Resources Limited**

M: + 61 2 9460 2021

[billg@stonewallresources.com](mailto:billg@stonewallresources.com)

Stonewall Resources Limited ABN 30 131 758 177  
Level 18, 111 Pacific Highway, North Sydney NSW 2060  
Tel: (02) 9460 2021 Email: [info@stonewallresources.com](mailto:info@stonewallresources.com)  
[www.stonewallresources.com](http://www.stonewallresources.com)

## Mineral Resources for the Stonewall Open Pit Operations as at April 2018

Resource Classification	Open Pit Mine	Reef	Reef Grade	Reef Width	Content	Reef Tonnes	Au Content	
			g/t	cm	cmgt	Mt	Kg	koz
Indicated	Hermansburg	Elluvial	1.79	0	0	0.505	905	29.1
	DG1	Elluvial	1.37	0	0	0.159	217	7.0
	DG2	Elluvial	0.76	0	0	1.174	892	28.7
	Vaalhoek	Vaalhoek	17.25	33	574	0.111	1,920	61.7
<b>Total Indicated</b>			<b>2.02</b>	<b>2</b>	<b>4</b>	<b>1.950</b>	<b>3,935</b>	<b>126.5</b>

Resource Classification	Open Pit Mine	Reef	Reef Grade	Reef Width	Content	Reef Tonnes	Au Content	
			g/t	cm	cmgt	Mt	Kg	koz
Inferred	Hermansburg	Elluvial	0.88	0	0	0.110	97	3.1
	DG1	Elluvial	2.95	0	0	0.293	864	27.8
	DG5	Elluvial	0.76	0	0	0.101	77	2.5
	Vaalhoek	Vaalhoek	20.32	43	880	0.213	4,319	138.9
	Vaalhoek	Thelma Leaders	14.25	97	1,388	0.293	4,172	134.1
	Theta & Browns Hill	Lower Theta	0.00	0	0	0.000	0	0.0
	Theta & Browns Hill	Beta	0.00	0	0	0.000	0	0.0
<b>Total Inferred</b>			<b>9.44</b>	<b>37</b>	<b>353</b>	<b>1.009</b>	<b>9,528</b>	<b>306.3</b>

## Mineral Resources for the Stonewall Tailings Dams as at April 2018

Resource Classification	Surface Operation	Reef	Tonnage	Gold Grade	Gold Content	
			Mt	g/t	Kg	koz
Indicated	Glynn's Lydenburg	Tailings	1.211	0.80	972	31.3
	Blyde 1	Tailings	0.590	0.73	434	14.0
	Blyde 2	Tailings	0.280	0.83	234	7.5
	Blyde 3	Tailings	0.316	0.87	275	8.8
	Blyde 4	Tailings	0.164	0.72	119	3.8
	Blyde 5	Tailings	0.022	0.61	14	0.4
	TGME Plant	Tailings	2.661	0.87	2,325	74.8
<b>Total Indicated</b>			<b>5.244</b>	<b>0.83</b>	<b>4,373</b>	<b>140.6</b>

Resource Classification	Surface Operation	Reef	Tonnage	Gold Grade	Gold Content	
			Mt	g/t	Kg	koz
Inferred	Blyde 3a	Tailings	0.023	0.57	13	0.4
<b>Total Inferred</b>			<b>0.023</b>	<b>0.57</b>	<b>13</b>	<b>0.4</b>

## Mineral Resources for the Stonewall Rock Dumps as at April 2018

Mineral Resource Category	Surface Operation	Reef	Tonnage	Gold Grade	Gold Content	
			Mt	g/t	Kg	koz
Inferred	Vaalhoek	Rock Dump	0.121	1.64	199	6.4
<b>Total Inferred</b>			<b>0.121</b>	<b>1.64</b>	<b>199</b>	<b>6.4</b>



Mineral Resources for the Stonewall Underground Operations as at April 2018

Resource Classification	Mine	Reef	Reef Grade	Stope Grade	Reef Width	Stope width	Content	Reef Tonnes	Stope Tonnes	Au Content	
			g/t	g/t	cm	cm	cmgt	Mt	Mt	Kg	koz
Measured	Frankfort	Bevett's	7.13	5.37	73	103	520	0.069	0.091	489	15.7
<b>Total Measured</b>			<b>7.13</b>	<b>5.37</b>	<b>73</b>	<b>103</b>	<b>520</b>	<b>0.069</b>	<b>0.091</b>	<b>489</b>	<b>15.7</b>
Indicated	Frankfort	Bevett's	7.86	5.13	58	96	452	0.243	0.373	1,912	61.5
	CDM	Rho	13.19	3.80	23	90	307	0.258	0.895	3,401	109.4
	Beta	Beta	21.66	6.58	23	90	499	0.716	2.357	15,506	498.5
	Rietfontein	Rietfontein	14.57	8.20	52	92	755	0.517	0.919	7,534	242.2
	Vaalhoek	Vaalhoek	13.90	6.34	36	90	499	0.064	0.140	887	28.5
	Olifantsgeraamte	Olifantsgeraamte	16.97	4.62	25	90	416	0.026	0.091	422	13.6
<b>Total Indicated</b>			<b>16.26</b>	<b>6.21</b>	<b>36</b>	<b>91</b>	<b>591</b>	<b>1.824</b>	<b>4.774</b>	<b>29,661</b>	<b>953.7</b>
<b>Total Measured &amp; Indicated (JORC 2012)</b>			<b>15.93</b>	<b>6.20</b>	<b>38</b>	<b>91</b>	<b>600</b>	<b>1.893</b>	<b>4.865</b>	<b>30,150</b>	<b>969.4</b>

Resource Classification	UG Mine	Reef	Reef Grade	Stope Grade	Reef Width	Stope width	Content	Reef Tonnes	Stope Tonnes	Au Content	
			g/t	g/t	cm	cm	cmgt	Mt	Mt	Kg	koz
Inferred	Frankfort	Bevett's	7.41	4.27	48	93	356	0.343	0.596	2,543	81.8
	CDM	Rho	10.06	3.02	24	90	244	0.544	1.811	5,472	175.9
	Beta	Beta	16.51	5.43	25	90	414	1.107	3.367	18,285	587.9
	Rietfontein	Rietfontein	14.06	8.52	57	94	803	1.190	1.962	16,721	537.6
	Olifantsgeraamte	Olifantsgeraamte	18.33	4.68	23	90	422	0.059	0.248	1,162	37.3
	Vaalhoek	Vaalhoek	16.28	4.77	22	90	361	0.873	2.980	14,209	456.8
	Vaalhoek	Thelma Leaders	12.18	9.47	96	123	1166	0.023	0.030	284	9.1
	Glynns Lydenburg	Glynns	15.87	5.19	25	90	397	3.218	9.833	51,078	1,642
	Ponieskrantz*	Portuguese	13.26	3.99	22	90	287	0.064	0.213	849	27.3
	Frankfort Theta*	Theta	7.22	3.24	34	90	244	0.099	0.220	714	23.0
Nestor*	Sandstone	5.54	2.92	41	90	225	0.101	0.193	562	18.1	
<b>Total Inferred (JORC 2012)</b>			<b>14.68</b>	<b>5.22</b>	<b>31</b>	<b>91</b>	<b>458</b>	<b>7.622</b>	<b>21.452</b>	<b>111,880</b>	<b>3,597</b>

Note: \* Indicates historical manual resources



Notes:

1. Underground cutoff is 160cm.g/t, open pit cutoff is 0.5 g/t and the tailings cutoff is 0.35 g/t;
2. The gold price used for the cutoff calculations is USD 1,497 / oz;
3. Geological losses applied are 15% for extrapolated inferred, 10% for inferred and 5% for Indicated and Measured;
4. Declared Mineral Resources fall within the various permit areas;
5. Historical mine voids have been depleted from the Mineral Resource;
6. The inferred Mineral Resources have a high degree of uncertainty and it should not be assumed that all or a portion thereof will be converted to Mineral Reserves

## 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

<b>STONEWALL RESOURCES LIMITED</b>	
<b>ABN</b>	<b>Quarter ended ("current quarter")</b>
30 131 758 177	30 June 2018

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(987)	(2,825)
(b) development		
(c) production		
(d) staff costs		
(e) administration and corporate costs	(504)	(3,360)
1.3 Dividends received (see note 3)		
1.4 Interest received	-	20
1.5 Interest and other costs of finance paid	(23)	(111)
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other	(9)	(9)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,523)</b>	<b>(6,285)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(1)	(23)
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	97	99
	(b) tenements (see item 10)		
	(c) investments	-	236
	(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>96</b>	<b>312</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	2,000	6,766
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	(158)	(652)
3.5	Proceeds from borrowings	-	360
3.6	Repayment of borrowings	(521)	(1,608)
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>1,321</b>	<b>4,866</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	371	1,372
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,523)	(6,285)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	96	312
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,321	4,866
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>265</b>	<b>265</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	265	371
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>265</b>	<b>371</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	175
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	

Payments for consulting fees, salaries and office rent at commercial rate.

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	
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	6,250	6,250
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.		

Details of the loan facilities are set out in Note 22 of the Company's Financial Report for the Year Ended 30 June 2017.

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	700
9.2 Development	-
9.3 Production	-
9.4 Staff costs	200
9.5 Administration and corporate costs	500
9.6 Other (loan repayment and legacy creditors)	700
<b>9.7 Total estimated cash outflows</b>	<b>2,100</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

**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: .....  
(Director/Company secretary)

Date: 31/07/2018

Print name: Chin Haw Lim

**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.