

Quarterly Activities Report

June 2019



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ASX: PNX

Issued Capital as at 30/07/19:
2,435,288,142

Board & Management:

Non Exec Chairman: Graham Ascough
Non Exec Director: Paul J Dowd
Non Exec Director: Peter J Watson
Non Exec Director: David Hillier
MD/CEO: James Fox
CFO/Co Secretary: Angelo Gaudio

Top Shareholders as at 30/07/19:

Delphi Unternehmensberatung 40.6%
Marilei International Limited 6.4%
Sochrastem SA 6.3%

Share Registry:

Computershare
Investor Services Pty Ltd
Level 5 115 Grenfell Street
Adelaide South Australia 5000
Phone:
1300 305 232 (within Australia)
+61 3 9415 4657 (outside Australia)

Quarterly Highlights:

NT Regional Exploration (Pine Creek region, in vicinity of Hayes Creek Project)

- Mineral Resource estimate completed for the Fountain Head Gold Project (reported in accordance with JORC Code, 2012) with 60% of the resources in the higher confidence Indicated category (*ASX release 11 July 2019*):
 - Fountain Head and Tally Ho total (Indicated and Inferred)
 - 2.58 Mt at 1.7 g/t Au for 138 koz Au
- Assays received from metallurgical diamond drilling at Iron Blow, with thick zones of massive sulphide mineralisation intersected within the eastern and western lodes as predicted by the geological model (*ASX release 27 June 2019*), including:
 - 85.22m at 11.87 % zinc, 4.19 g/t gold, 309 g/t silver, 1.94 % lead, 0.49 % copper from 115.9 m in IBDH061 (eastern lode)
 - 48.07m at 5.67 % zinc, 2.45 g/t gold, and 90.6 g/t silver from 230.3m in IBDH063 (western lode)
- Near-surface oxide gold and silver mineralisation intersected higher up-dip than previously tested, and outside of the current mining optimisation:
 - 21.42m at 1.98 g/t gold and 161 g/t silver from 2.3m in IBDH062 (western lode)
- Definitive Feasibility Study (DFS) on schedule, with final metallurgical flotation test work for offtake and marketing purposes now underway

Corporate

- \$5.3 million cash on hand at 30 June 2019
- Capital raising completed to fund Hayes Creek DFS via underwritten non renounceable three (3) for five (5) rights issue raised \$5.48 million before costs (*ASX release 18 April 2019*)

Activity during the Quarter

NT Project Development - Hayes Creek Zinc and Precious Metals Project

The Hayes Creek Project is comprised of the Iron Blow and Mt Bonnie zinc-gold-silver deposits located less than 3km apart on wholly owned Mineral Leases within the Pine Creek region of the Northern Territory, 170km south of Darwin (Figure 1).

A Definitive Feasibility Study (DFS) is currently underway on the Hayes Creek Project, following the successful completion of a Pre-Feasibility Study (PFS) in July 2017 which confirmed the Hayes Creek Project to be a promising future low-cost, high margin zinc and precious metal mine that could create significant value for the Company's shareholders. The DFS is expected to provide increased confidence in all aspects of the Hayes Creek Project as well as investigate opportunities to improve overall project economics thereby increasing the prospect of favourable development finance terms and structure.

There is a significant amount of technical work that now needs to be completed to inform the DFS and prepare the Project Environmental impact Statement (EIS) for submission based on the draft Terms of Reference, both of which are expected to occur no earlier than end of Q1 2020.

The Hayes Creek Project is located in a favourable mining jurisdiction where the development scenario considers and utilises existing infrastructure that includes rail, road, high voltage power lines and water, further enhancing project fundamentals and lowering development risks.

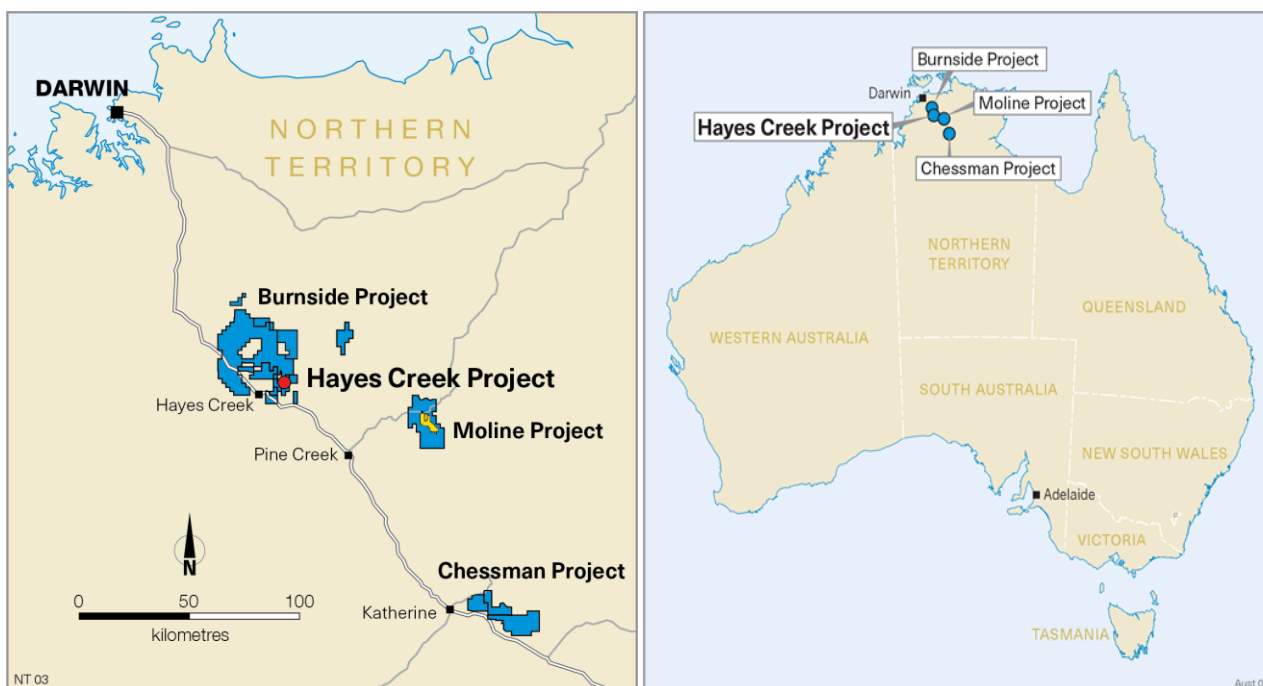


Figure 1: NT Project locations

Hayes Creek Project Development

As part of the approvals process the Project was referred to the Commonwealth Department of Environment and Energy in accordance with the Environmental Protection Biodiversity Act 1999 to assess the proposed development of Hayes Creek Project and the level of approval required. The referral was released for public comment for a period of two weeks during March 2019. **The Company recently received the positive decision that our proposal to develop Hayes Creek is not a controlled action.**

As expected, the Northern Territory Environmental Protection Authority (NT EPA) has determined that the Hayes Creek Project required assessment under the Environmental Assessment Act 1982 at the level of an EIS.

Draft Terms of Reference were developed by the NT EPA to assist PNX in preparing an EIS for the Project.

Public consultation for the Project draft Terms of Reference has now occurred and PNX is expecting feedback from the NT EPA by early August 2019.

Iron Blow

Three diamond drill holes were drilled down-dip to the mineralisation for approximately 650 metres at Iron Blow with thick intervals of massive sulphide mineralisation intersected in both the eastern and western lodes further confirming the geological model (Figure 2). The purpose of the drilling was to obtain:

- Representative samples of the eastern and western massive sulphide lodes to finalise DFS level metallurgical flotation test work for offtake and marketing purposes; and
- Additional geotechnical information and assay data for slope design and scheduling of the underground development.

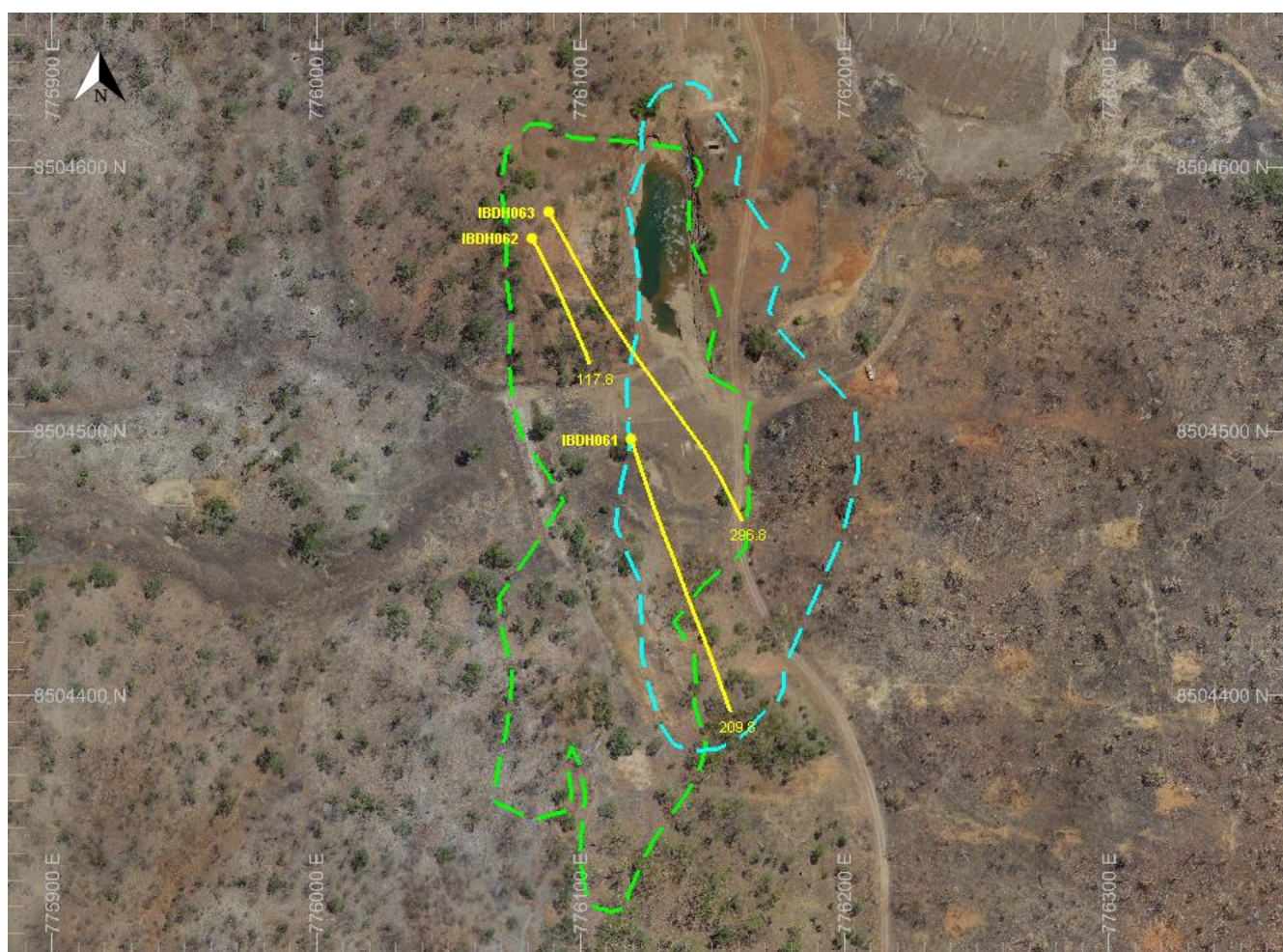


Figure 2: Iron Blow drill collar plan on aerial photograph with eastern lode (blue) and western lode (green) representing the outline of the existing resource projected to surface. Holes drilled for metallurgical analysis are shown as yellow drill traces.

Discussion

Drill hole IBDH061 intersected the eastern hanging-wall lode which is defined by its high grade zinc-gold-silver mineralisation, including 85.22m at 11.87 % zinc, 4.19 g/t gold, 309 g/t silver, 1.94 % lead, 0.49 % copper from

64.2m, with holes IBDH062 and IBDH063 intersecting the broader western footwall lode with its multiple parallel zones of massive sulphide mineralisation.

IBDH062 intersected the western lode higher up-dip than previously tested, and returned a thick interval of gold and silver rich oxide mineralisation within a few metres of the surface; 21.42m at 1.98 g/t gold and 161 g/t silver from 2.3m. The full implications of these results are yet to be considered.

Mt Bonnie

The Company has identified previous under-reporting of Cu, Pb, Zn and Ag in Certified Reference Material (CRM) results at Mt Bonnie, particularly with respect to samples submitted in 2017. This implies that the assays from some Mt Bonnie samples may be under reporting the amount of Cu, Pb, Zn and/or Ag contained in those samples. Re-assaying of the samples in question (which are only from Mt Bonnie) is underway using pulp duplicates and new CRM. This has adversely impacted timing of the new Mineral Resource Estimate for Mt Bonnie which is now likely to occur during the September Quarter.

Geochemical and Hydrological Studies

During the quarter technical studies to support the EIS continued with completion of both an aquatic survey and a site investigation and water sampling survey by CDM Smith. Additional site ethnographic, flora and fauna and air quality surveys are being planned. The majority of the technical and project inputs necessary to underpin the specific studies has also been provided.

Column leach tests utilising waste rock collected during drilling have continued to collect water quality data which will be used in modelling of groundwater both during and post completion of mining. Waste rock leach columns have been operating for 90 weeks now with samples taken monthly to measure the pH and composited for analysis every 3 months regarding other elements to reduce costs.

Metallurgy and Process Design

Samples of different ore types have been collected from Iron Blow and Mt Bonnie, along with water from Fountain Head (which will likely be used as process water) for metallurgical testwork and process design.

Previous testwork used master composites, being a combination of east and west zones to reflect the resource as a whole. The new metallurgical locked cycle testwork will assess Iron Blow East and West zones separately and then three variability samples will also be tested to ensure proposed operating parameters are sufficient to manage the variable ore grades and ore types likely to be received.

Bond work indices for Iron Blow samples have been determined at 4.8 and 11.9 kWhr/t which is in line with previous testing. Sub samples have also been sent for bulk materials handling testing. The first of the Iron Blow baseline batch flotation tests have been completed to confirm the grinding (upfront and re-grind), reagent and residence time conditions for the subsequent locked cycle testing conditions.

Mt Bonnie samples will be used to re-establish baseline flotation conditions. Optimal blending of the LGC will then be tested based on previous flotation tests conducted as part of the PFS. Mt Bonnie concentrate cleaner optimisation is also to be completed to maximise the upside in Zn recovery prior to undertaking the locked cycle testing.

Power and Infrastructure

Further work has taken place during the quarter on defining infrastructure locations and requirements, combined with reviews of numerous options for base power generation and supply.

Detailed pricing estimates have been received for 6MW diesel, gas and hybrid power solutions.

With the proximity of the Bonaparte Gas pipeline being less than 1km from the proposed processing facility at Fountain Head, gas fired base load power appears to be the most viable option for the project and negotiations for gas supply and pipeline access have commenced.

Detailed designs for office layout and plant locations have been reviewed that consider access options and with the view to utilising as much previously disturbed ground as possible. These details will be utilised in the EIS study moving forward and provide more clarity to the DFS.

NT Regional Exploration: Fountain Head, Burnside, Moline & Chessman Projects

PNX is pursuing regional exploration targeting gold and base metals mineralisation that has the potential to either

- complement and enhance the Hayes Creek Project, or
- be of sufficient scale to:
 - warrant being processed via existing infrastructure in the region capable of treating free-milling gold ore; or
 - support a standalone mine development.

Fountain Head project

The Fountain Head Mineral Leases (MLs) are located less than 15km from the Mt Bonnie and Iron Blow deposits and provide PNX with the ideal location for the proposed Hayes Creek Project process plant and associated infrastructure.

PNX recently announced its first Mineral Resource estimate for the 100% owned Fountain Head gold Project, reported in accordance with the JORC Code, 2012 by independent mining consultants CSA Global Pty Ltd summarised in Table 1 below (see *ASX release 11 July 2019 for full details including JORC tables*). The Fountain Head Mineral Resource Estimate (comprising the Fountain Head and Tally Ho deposits) is based on a new geological model generated from the review, analysis and reinterpretation of information collected from numerous diamond and reverse circulation (RC) drilling campaigns and geological mapping from 1982 through to 2018 (Figure 3).

Table 1: Fountain Head and Tally Ho Mineral Resources by JORC Classification as at 11 July 2019 estimated utilising a cut-off grade of >0.7 g/t Au which is consistent with an assumed open cut mining method. * Due to the effects of rounding, the total may not represent the sum of all components

| JORC Classification | Tonnage (Mt) | Au (g/t) | Ounces (Koz) |
|--|--------------|------------|--------------|
| Tally Ho | | | |
| Indicated | 0.94 | 2.0 | 59 |
| Inferred | – | – | – |
| Total | 0.94 | 2.0 | 59 |
| Fountain Head | | | |
| Indicated | 0.50 | 1.5 | 23 |
| Inferred | 1.15 | 1.5 | 55 |
| Total | 1.64 | 1.5 | 79 |
| Total Fountain Head + Tally Ho* | | | |
| Indicated | 1.43 | 1.8 | 83 |
| Inferred | 1.15 | 1.5 | 55 |
| Total | 2.58 | 1.7 | 138 |

Mineralisation at Fountain Head is intimately associated with the Fountain Head Anticline. The Tally Ho deposit is located just to the southwest of Fountain Head deposit and sits on the south-western limb of the Fountain Head anticline.

This Mineral Resource extends to approximately 300m from the western edge of the historic Fountain Head pit, and 75m from the eastern extent of that pit. Beyond that the drilling density reduces from the approximate 50m x 50m spacing nominally required for resource classification, however numerous open areas have been identified to target grade and volume increases to the mineralisation.

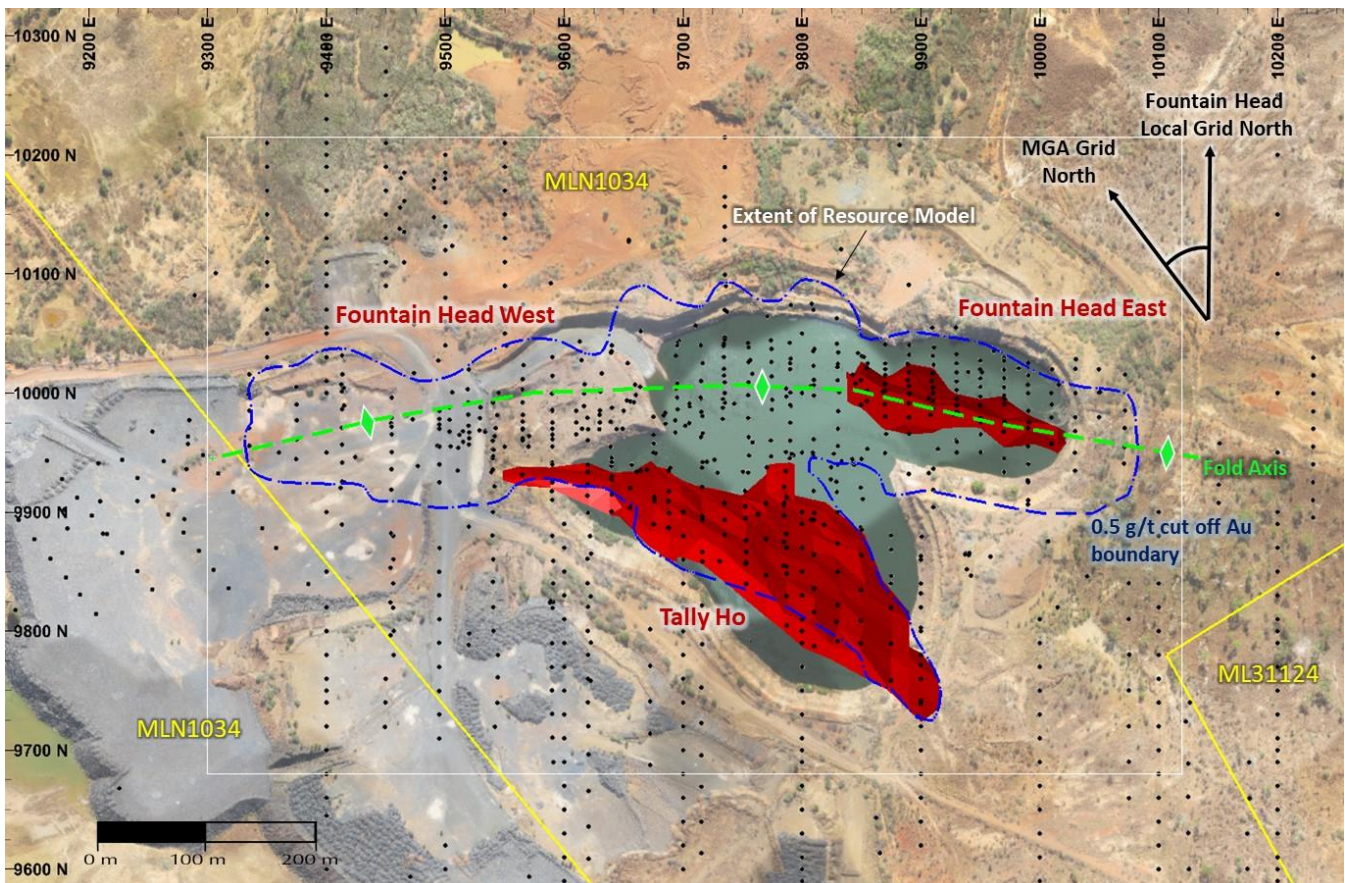


Figure 3: Plan view of the Fountain Head and Tally Ho Mineral Resources showing proximity to historic mining areas, mineral leases and drill collar locations. Fountain Head anticline shown in green.

The scale of the mineralised envelope within the Fountain Head gold Project is significant as gold mineralisation has been intersected from the north-western edge of the existing historic open-pits, being the limit of this Mineral Resource, to the Banner prospect which extends to an approximate 1.6km strike, and down to a vertical depth of ~250m. Almost the entire strike extent remains open providing numerous exploration targets.

In addition, small-scale historic hard-rock workings have been identified a further 400m to the west of the Banner prospect (ASX release 23 August 2018) along the interpreted Fountain Head anticline, suggesting there is potential for further gold mineralisation in this area¹ (Figure 4).

Additional drill testing is required to target extensions to these mineralised zones at depth and increase the density of drill data along strike to support additional Mineral Resources. Interpretation suggests that drilling out the hinge

¹ Refer PNX ASX announcement 23 August 2018 'High-grade Gold Discovery at the Banner Prospect, NT'

of the anticline and associated sub-vertical structures could provide the greatest return and it is likely that this would occur as part of any future exploration and development programs.

The relative values of PNX initially mining some or all of these Mineral Resources versus solely using the historic open pits for tails from the Hayes Creek project is being assessed, and whether, and if so how, the two strategies might be combined.

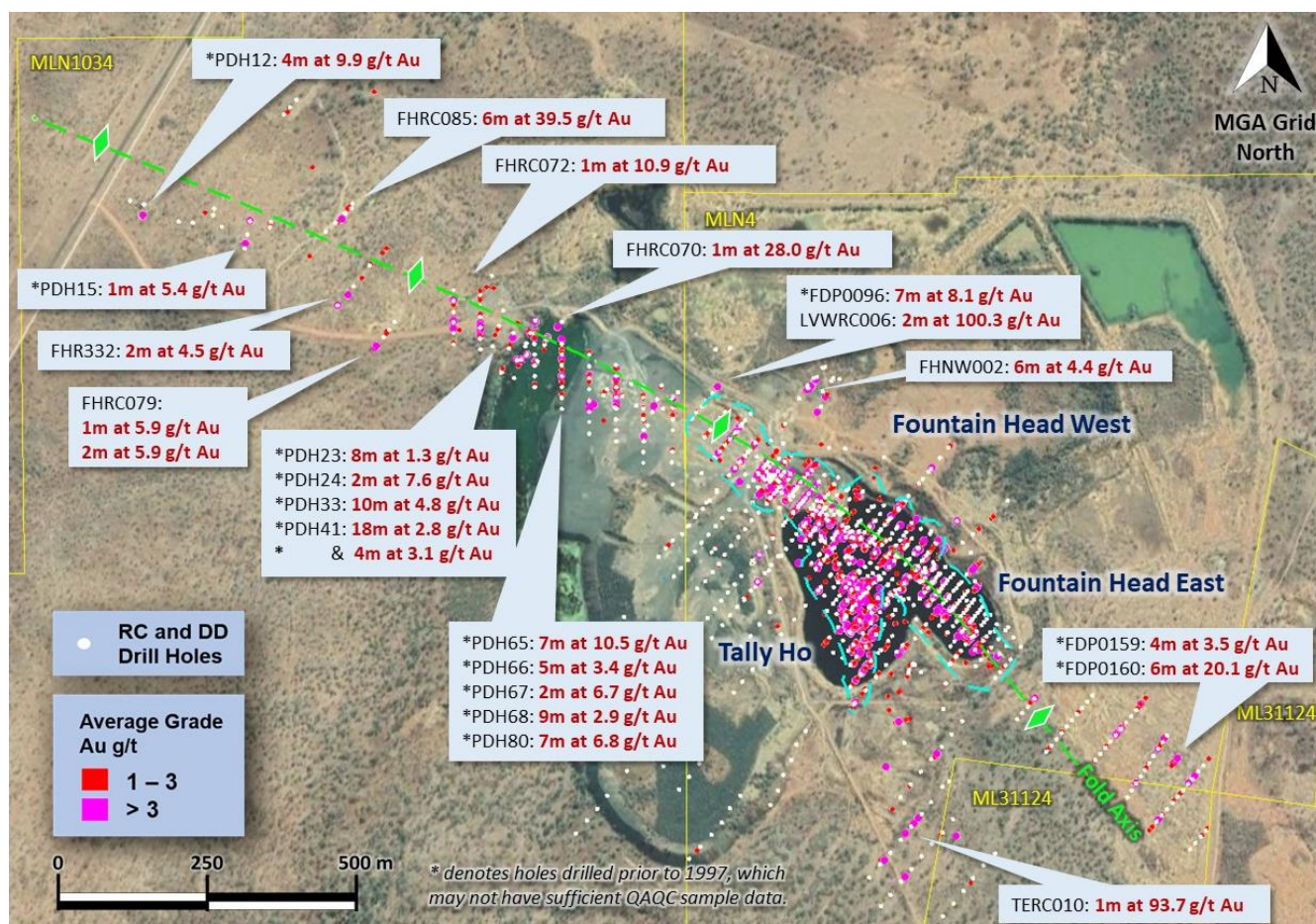


Figure 4: Fountain Head plan showing selection of mineralised drill hole intercepts greater than 1 g/t Au outside of resource
Cookies Corner prospect (Burnside project)

No significant activity has taken place on the prospect during the quarter other than the rehabilitation of drill sites.

Moline project

No significant activity has taken place on the prospect during the quarter other than the rehabilitation of drill sites.

Kilfoyle Farm-in - Litchfield Area NT

The Company has withdrawn from the Litchfield farm-in due to prioritisation of the Hayes Creek DFS and Fountain Head activities over regional exploration on non-PNX assets, and no high-priority base metals targets having been identified to drill test.

South Australia Exploration

Yorke Peninsula & Adelaide Geosyncline Projects

No on-ground exploration activities were undertaken during the quarter by PNX on the Company's Yorke Peninsula or Adelaide Geosyncline exploration tenements. Ausmex Mining Group Limited is farming-in to PNX's 8 exploration licences in the Burra area, to earn up to a 90% interest over 2 stages (60% and 90%) by spending a minimum of \$300,000 in each stage on diamond drilling or other agreed exploratory work. The first stage must be completed by 30 September 2019. All South Australian tenements remain in good standing.

See Ausmex Mining Group ASX releases for further information on work completed during the quarter on some or all of the area subject to the above farm-in.

Financial & Corporate

Cash on hand at 30 June 2019 was \$5.3 million.

On 20 May 2019 the Company completed a three (3) for five (5) underwritten non-renounceable pro-rata rights issue with the issue of 913,233,122 ordinary shares at an issue price of \$0.006 per share raising \$5.48 million (before costs and expenses). The proceeds will be used to undertake significant activity at PNX's flagship Hayes Creek zinc-gold-silver project, including completion of the DFS, and ongoing assessment of the Fountain Head gold project.

65,450,000 unquoted options with a 5.0 cent exercise price expired on 31 May 2019.

As at 30 June 2019 the Company has 2,435,288,142 fully paid ordinary shares on issue, and;

- 433,125,000 unquoted options with a 1.50 cent exercise price expiring 30 September 2021;
- 20,000,000 unquoted options with a 1.47 cent exercise price expiring 30 October 2020; and
- 12,440,000 performance rights

Planned Activities September 2019 Quarter:

Hayes Creek DFS

- Finalisation of updated mineral resource estimate for Mt Bonnie
- Progressing final terms of reference related to submission of EIS and all necessary EIS related studies, including:
 - Follow up geochemical characterisation to better define the distribution of geochemical rock types - Environment Geochemistry International
 - Leach column testing.
 - Geochemical characterisation of historic mine materials
 - Conceptual geochemical modelling
 - Spontaneous combustion testing
 - Air Quality and Greenhouse Gas Assessment – Katestone Environmental
 - Flora and Fauna late season survey – Low Ecological
 - Cultural Heritage – In Depth Archaeology
 - Site specific hydrological modelling and analysis – CDM Smith
 - Surface Water

-
- Flooding
 - Groundwater
 - Pit water quality
 - Water treatment
 - Site water balance
- Base line materials characterisation, batch flotation and locked cycle flotation of Mt Bonnie and Iron Blow master composites to confirm process design parameters and provide technical information for marketing and offtake

NT Regional Exploration

- A conceptual mining study will be completed for the Fountain Head project to determine the relative values of mining the gold mineralisation versus using the historic open pits as the (in-pit) tails location for the Hayes Creek project, and whether the two strategies might be combined.

James Fox

Managing Director & CEO

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Competent Person's Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Bradley Ermel, a Competent Person who is a Member of the Australian Institute of geoscientists (AIG). Mr Ermel has sufficient experience relevant to the style of mineralisation and the type of deposits under consideration and to the activity being undertaken 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". Mr Ermel is a full-time employee of PNX Metals Ltd and consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

TENEMENTS

Northern Territory

| Tenement | Name | Holder | Area Hectare |
|----------------------------|------------------|---------------------|-----------------------|
| ML30512 | Mt Bonnie | PNX Metals Ltd 100% | 6.4 |
| ML30589 | Mt Bonnie | | 31.6 |
| MLN1033 | Mt Bonnie | | 4.8 |
| MLN1039 | Mt Bonnie | | 1.2 |
| MLN214 | Iron Blow | | 6.3 |
| MLN341 | Iron Blow | | 14.9 |
| MLN342 | Mt Bonnie | | 13.7 |
| MLN343 | Iron Blow | | 14.9 |
| MLN346 | Mt Bonnie | | 16.0 |
| MLN349 | Iron Blow | | 15.0 |
| MLN405 | Mt Bonnie | | 12.0 |
| MLN459 | Mt Bonnie | | 15.0 |
| MLN811 | Mt Bonnie | | 8.1 |
| MLN816 | Mt Bonnie | | 8.1 |
| Total Hayes Creek | | | 168.0 |
| MLN794 | Fishers-1 | PNX Metals Ltd 100% | 8.1 |
| MLN795 | Fishers-2 | | 8.1 |
| ML30936 | Good Shepherd | | 106.0 |
| Total Other | | | 122.2 |
| ML31124 | Fountain Head | PNX Metals Ltd 100% | 33.5 |
| MLN1020 | Fountain Head | | 12.0 |
| MLN4 | Fountain Head | | 529.9 |
| MLN1034 | Fountain Head | | 304.2 |
| Total Fountain Head | | | 879.6 |
| Moline | | | |
| ML24173 | Moline | PNX Metals Ltd 100% | 3126.0 |
| MLN1059 | Moline | | 418.7 |
| MLN41 | Mt Evelyn | | 8.9 |
| Total Moline | | | 3,553.6 |
| Total Mineral Leases | | | 4,723.4 |
| EL28616 | Moline | PNX Metals Ltd 100% | 262.5 km ² |
| EL31099 | Bridge Creek | PNX Metals Ltd 100% | 60.2km ² |
| EL31893 | Ringwood Station | PNX Metals Ltd 100% | 23.4km ² |
| Total Exploration Licences | | | 346.1km ² |

Northern Territory – Farm-in Tenements

| Tenement | Name | Holder | (Area sq km) |
|----------------------------|--------------------|-----------------------------------|--------------|
| Burnside Project * | | | |
| EL10012 | Mt Ringwood | PNX Metals Ltd 90%, Newmarket 10% | 14.9 |
| EL10347 | Golden Dyke | | 10.0 |
| EL23431 | Thunderball | | 13.4 |
| EL23536 | Brocks Creek | | 70.4 |
| EL23540 | Jenkins | | 16.7 |
| EL23541 | Cosmo North | | 3.3 |
| EL24018 | Hayes Creek | | 23.4 |
| EL24051 | Margaret River | | 86.9 |
| EL24058 | Yam Creek | | 3.3 |
| EL24351 | McCallum Creek | | 13.4 |
| EL24405 | Yam Creek | | 4.1 |
| EL24409 | Brocks Creek South | | 22.1 |
| EL24715 | Mt Masson | | 56.8 |
| EL25295 | Margaret Diggings | | 10.0 |
| EL25748 | Burnside | | 584.5 |
| EL9608 | Mt Bonnie | | 10.0 |
| Chessman Project * | | | |
| Tenement | Name | | |
| EL25054 | Maud | PNX Metals Ltd 90%, Newmarket 10% | 64.0 |
| EL28902 | Maud | | 104.5 |
| ML30293 | Chessman | | 1.1 |
| Total Exploration Licences | | | 1,112.8 |

*PNX Metals Ltd earned a 90% interest under a farm-in agreement with Newmarket Gold NT Holdings Pty Ltd

South Australia

| Exploration Licences | Name | Holder | (Area sq. km) |
|-----------------------------------|----------------|---------------------------------------|---------------|
| Adelaide Geosyncline ** | | | |
| ELA2018/00175 | Burra Central | PNX Metals Ltd 100% | 84 |
| EL5874 | Burra West | | 69 |
| EL6150 | Burra North | | 300 |
| ELA2018/00176 | Mongolata | | 60 |
| EL5918 | Princess Royal | | 314 |
| ELA2018/00177 | Bagot Well | | 71 |
| EL5910 | Spalding | | 157 |
| ELA2019/00085 | Washpool | | 135 |
| | | | 1,190 |
| Yorke Peninsula | | | |
| ELA2018/00013 | Minlaton | Wellington Exploration Pty Ltd 100% # | 509 |
| ELA2017/00169 | Point Pearce | PNX Metals Ltd 100% | 38 |
| ELA2019/00062 | Koolywurtie | | 255 |
| ELA2019/00099 | Coonarie | | 254 |
| | | | 1,059 |
| Total Exploration Licences | | | 2,249 |

**** Ausmex Mining Group earning up to 90% in these tenements over 2 stages under a farm-in agreement**

Wellington Exploration Pty Ltd is a wholly owned subsidiary of PNX

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Name of entity

PNX METALS LIMITED

ABN

67 127 446 271

Quarter ended ("current quarter")

30 JUNE 2019

| Consolidated statement of cash flows | | Current quarter | Year to date |
|---|---|------------------------|--------------------------------|
| | | \$A'000 | (12 months) \$A'000 |
| 1. | Cash flows from operating activities | | |
| 1.1 | Receipts from customers | - | - |
| 1.2 | Payments for | | |
| | (a) exploration & evaluation | (658) | (2,940) |
| | (b) development | - | - |
| | (c) production | - | - |
| | (d) staff costs* | (167) | (574) |
| | (e) administration and corporate costs | (91) | (640) |
| 1.3 | Dividends received (see note 3) | - | - |
| 1.4 | Interest received | 13 | 36 |
| 1.5 | Interest and other costs of finance paid | - | - |
| 1.6 | Income taxes paid | - | - |
| 1.7 | Research and development refunds | - | - |
| 1.8 | Other | - | - |
| 1.9 | Net cash from / (used in) operating activities | (903) | (4,118) |

*excluding costs included in exploration expenditure

| | | | |
|-----------|---|---|------|
| 2. | Cash flows from investing activities | | |
| 2.1 | Payments to acquire: | | |
| | (a) property, plant and equipment | - | (20) |
| | (b) tenements (see item 10) | - | - |
| | (c) investments | - | - |

| Consolidated statement of cash flows | | Current quarter | Year to date (12 months) |
|---|---|------------------------|-------------------------------------|
| | | \$A'000 | \$A'000 |
| | (d) other non-current assets | - | - |
| 2.2 | Proceeds from the disposal of: | | |
| | (a) property, plant and equipment | 30 | 30 |
| | (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 | - | - |
| 2.6 | Net cash from / (used in) investing activities | 30 | 10 |

| | | | |
|-----------|---|--------------|--------------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of shares | 5479 | 8,944 |
| 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 | (362) | (392) |
| 3.5 | Loan repayment | - | - |
| 3.6 | Repayment of borrowings | - | - |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other | - | - |
| 3.10 | Net cash from / (used in) financing activities | 5,117 | 8,552 |

| | | | |
|-----------|--|-------|---------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 1,060 | 860 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (903) | (4,118) |

| Consolidated statement of cash flows | | Current quarter | Year to date (12 months) |
|---|--|------------------------|-------------------------------------|
| | | \$A'000 | \$A'000 |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | 30 | 10 |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 5,117 | 8,552 |
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| 4.6 | Cash and cash equivalents at end of period | 5,304 | 5,304 |

| 5. | Reconciliation of cash and cash equivalents | Current quarter | Previous quarter |
|------------|---|------------------------|-------------------------|
| | at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | \$A'000 | \$A'000 |
| 5.1 | Bank balances | 1,204 | 54 |
| 5.2 | Call deposits | 4,100 | 1,006 |
| 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) | 5,304 | 1,060 |

6. Payments to directors of the entity and their associates

6.1 Aggregate amount of payments to these parties included in item 1.2

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

Current quarter
\$A'000

50

-

Transactions during the current quarter include:

- 1) Non-executive Director fees and superannuation of \$49k.
- 2) Legal costs of \$1k were paid to a firm associated with a non-executive director, Peter Watson.

7. Payments to related entities of the entity and their associates

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

**Current quarter
\$A'000**

- *

-

*None other than those payments described in Item 6 above.

8. Financing facilities available

Add notes as necessary for an understanding of the position

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.

**Total facility amount
at quarter end
\$A'000**

**Amount drawn at
quarter end
\$A'000**

-

-

-

-

-

-

9. Estimated cash outflows for next quarter

\$A'000

9.1 Exploration and evaluation *

1,500

9.2 Development

-

9.3 Production

-

9.4 Staff costs (net of outflows included in item 9.1 exploration)

130

9.5 Administration and corporate costs

190

9.6 Other (provide details if material)

-

9.7 Total estimated cash outflows

1,820

* Predominantly in relation to Hayes Creek Definitive Feasibility Study

| 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. | EL 29731, EL28462 and EL30521 (Northern Territory) | Exit from farm-in agreement with May Drilling Pty Ltd. | 0% | 0% |
| 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:


Company secretary

Date: 31 July 2019.

Print name: Angelo Gaudio

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.