



QUARTERLY ACTIVITIES REPORT – PERIOD ENDING 31 DECEMBER 2016

Headlines

Balama Project

- Remains on schedule for commissioning in Q2 2017 with production and ramp up commencing in Q3 2017
- Project capital cost has increased from US\$185 million to US\$193 million plus a project contingency of US\$7 million
- Ore Reserve upgrade finalised for the Mualia Zone, Balama West, which resulted in a 40% increase in the Proven and Probable Reserves to 114.5 Mt at 16.6% total graphitic carbon (TGC)
- Structural, Mechanical and Piping (SMP) Contractor has commenced erection of structural steel and installation of equipment for key areas of the processing plant is progressing well
- Electrical and Instrumentation Contractor has mobilised and installation work has commenced
- All major equipment has been delivered to site
- Further attrition cell test work completed in China has demonstrated that a concentrate grade of >98% TGC can be achieved across all flake sizes for Balama graphite product
- Bureau Veritas has been awarded the contract for supply of on-site laboratory services.

Marketing

- Progress made in integrated sales and operations planning, product placement, and value-in-use for Syrah products. Commercial negotiations progressing well, with an update planned for March 2017.

Downstream Project

- The Company updated the market on its downstream strategy in November 2016. Subsequent discussions with potential customers, supply chain and industry participants have identified a number of new and value enhancing options which are currently under review.

Corporate

- Discussions have now commenced on arranging a debt facility of US\$50 million for the Balama Project and general corporate activities, as a conservative contingency measure for the commissioning and production ramp-up phase.



BALAMA GRAPHITE PROJECT (100%) – REMAINS ON SCHEDULE FOR COMMISSIONING IN Q2 CY2017

During Q4 CY2016, US\$32.6 million was spent on the Balama Graphite Project, resulting in total project development expenditures of US\$113.0 million as at 31 December 2016. An additional US\$37.6 million in development expenditures have been committed as at the end of the quarter, which brings total actual and committed capital expenditures to US\$150.6 million.

Balama Project capital costs has been increased from US\$185 million to US\$193 million to incorporate growth in quantities of US\$8.0 million arising from final detailed design. This includes concrete, structural steel and plate work, and associated engineering, freight and SMP installation costs.

An additional amount of US\$7.0 million is set aside as contingency, bringing the total project capital budget to US\$200 million. The increase in the project budget will be funded from the Company's existing cash reserves.

Health, safety and community development

- 1.1 million work hours completed for the quarter and 2.8 million hours for 2016, with a Total Recordable Injury Rate (TRIFR) of 2.5. The total workforce on site at the end of December 2016 was 1900, an increase of 500 from last quarter. Workforce numbers are expected to peak at end of January 2017.
- A recordable injury occurred during this quarter, involving a contractor team member falling off a truck trailer during unloading activities. The individual is recovering well
- A Health and Safety Committee has been established involving all key contractors and convenes monthly to ensure alignment with the Company's Health and Safety Management Plan and associated requirements
- A site based Volunteer Emergency Response Team has been formed consisting of Mozambican employees and trained to internationally accredited certification
- Representatives from the Mozambique Ministry of Land, Environment and Rural Development (MITADER) have visited Balama and commended the progress of the Environmental Monitoring Program



Geology

- A Mineral Resource and Ore Reserve upgrade for the Mualia Zone, Balama West, has been finalised in accordance with the guidelines of the JORC Code (2012).
- The Probable Ore Reserve estimated by The MSA Group Pty Ltd (MSA Group) is based on the optimised open pit mine plan for the Mualia Zone, whilst taking into consideration the same mine planning parameters used for the Balama East and West open pits in the Feasibility Study completed by Snowden Mining Industry Consultants in May 2015.
- The updated Proven and Probable Ore Reserve for the overall Balama Project now totals 114.5 Mt at 16.6% TGC for 18.6 Mt of contained flake graphite. This comprises a 40% increase in the Proven and Probable Reserves of 81.4Mt @ 16.2% TGC previously reported (ASX release dated 29 May 2015). The resource remains open in all directions, however due to the present long life ore reserve, no further graphite resource drilling is planned.

Wet season

There has been no impact to date on construction from inclement weather since the commencement of the wet season (December 2016 to February 2017), primarily due to drainage that has been completed around the plant site.

Mine development (license to mine in place)

As at 31 December 2016, mine development has made substantial progress with the following activities now completed or near completion:

- Mining facility administration building and training centre are now operational
- Mining facility warehouse and wash pad are nearing completion
- Pre-stripping for Balama West:
 - Soil, waste and low grade dumps have been completed
 - Service and haul roads have commenced
 - Mining pit has commenced
- Construction of the run-of-mine (ROM) pad with a capacity of 360,000 tonnes substantially progressed with completion scheduled for February 2017
- As advised in the September 2016 quarterly, the mining fleet required for full operations has been mobilised including 9 × Bell B40 articulated dump trucks, 2 × Liebherr excavators, 2 × Caterpillar dozers, 2 × Caterpillar graders and 2 × Fuel tankers.



Figure 1 – ROM Pad Construction in Progress



Figure 2 – Balama West haul roads, pre-stripping of Balama West pit, dumps and low grade stockpile



Figure 3 – Pre-stripping at Balama West

Processing plant

Good progress overall was achieved during the quarter with all principal equipment now on site and progressively being installed by the Structural, Mechanical and Piping (SMP) Contractor. The Electrical and Instrumentation (E&I) Contractor has mobilised to site and commenced works. The overall construction progress was 52.4% and commissioning remains on schedule for Q2 2017.

The Balama processing plant will use conventional processes including:

- Primary Crushing & Crushed Ore storage
- Recycled crushing
- Primary Milling
- Flotation
- Secondary Milling and Classification
- Filtration
- Flake & Fine drying
- Classification and product bagging



Waste material containing vanadium will be pumped to the Tailings Storage Facility after the graphite flotation process.

General overview

- Engineering and procurement is now completed
- Fabrication of structural steel and plate work is substantially completed with 92% of structural steel and 77% of plate work on site with final delivery of outstanding handrail and grating and miscellaneous plate work expected to be delivered during the month of February
- Structural steel erection well advanced with 960 tonnes installed of the 1,900 tonnes delivered to site to date
- Process plant and associated infrastructure concrete nearing completion with 10,390 m³ poured to date with the last major remaining area being the floor of the Product Storage shed:
 - Concreting of major process plant areas scheduled for completion by end of February 2017 with only minor areas remaining
 - Concrete works have been completed for the primary milling, secondary milling, reagent mixing and storage, thickener flocculant storage and dosing, filtration, flake dryer and fines dryer areas
- All major equipment (including screw feeders, crushing plant, flotation cells, scrubbers, agitators, cyclones, recycle crusher, dry and wet screens, bagging machines and product bins) have been delivered to site with a number of key pieces of primary equipment already installed
- Piping fabrication and spooling is 69% complete at off-site workshop and deliveries to site have commenced. Balance of pipe fabrication consists of carbon steel and rubber lined pipe and is expected to be delivered to site progressively in Q1 2017
- All major contracts for the installation of the process plant and supporting infrastructure have been awarded and respective contractors are now on site and working in multi areas.

Primary crushing

- Concrete works 100% complete
- Primary crushing structural steel and mechanical equipment installation nearing completion
- Erection of crushed ore bin feed conveyor underway and electrical and instrumentation installation has commenced.



Crushed ore storage

- Concrete works 100% complete
- Erection of crushed ore bin conveyor and crushed ore bin is underway
- Reclaim feeders situated under the crushed ore bin are in position with mechanical installation in progress. Emergency reclaim bin has been installed and the emergency reclaim feeder is in position with mechanical installation in progress.



Figure 4 – Structural steel and mechanical equipment installation at the primary crusher (left) and installation of crushed ore bin storage, reclaim feeders and associated conveyors (right)



Recycle crushing

- Concrete works 100% complete
- Erection of structural steel is well progressed and erection of the recycle crusher feed conveyor is well advanced
- The recycle crusher is in position and installation of the recycle crusher discharge conveyor is well advanced.



Figure 5 – Conveyor and recycle crusher system

Primary milling

- Concrete works 100% complete
- Erection of structural steel is well progressed and mechanical installation has commenced with the scrubber, classification screen and pumps in position
- Installation of the primary mill has commenced and installation of the rougher surge tank is well advanced.



Figure 6 – Installation of scrubber and primary milling equipment prior to flotation circuit

Flotation

- Concrete work 100% completed
- Structural steel erection is nearing completion and all flotation cells are in position
- Installation of hoppers, launders and pumps significantly advanced and piping installation has commenced.



Figure 7 – All flotation cells have been installed

Secondary milling and classification

- Concrete work 100% complete
- Structural steel erection and placement of hoppers and pumps have commenced.

Filtration

- Structural steel erection well advanced and installation of mechanical equipment including screw feeders and chain conveyors are in progress
- Filter discharge chutes have been installed and erection of flake and fines storage tanks have commenced.



Figure 8 – Filtration building for dewatering graphite concentrate from the flotation area

Flake and fines drying

- Concrete works 100% complete
- Installation of structural steel and mechanical equipment for the flake and fines dryers are in progress.



Figure 9 – Graphite concentrate after filtering is dried using flash dryer systems

Bagging

- Concrete works 100% complete
- Preassembly of structural steel commenced
- All mechanical equipment has been delivered to site including bagging machines, dry screens and product bins ready for installation.



Figure 10 – All bagging equipment on site ready for installation

Enhancement project – Attrition cells

- As detailed in the September 2016 quarterly:
 - Attrition cells (which do not utilise any chemical treatment processes) have been added to the Balama process flow sheet, based on significant pilot plant test work, which has demonstrated the potential for between 96.5% to 98.8% TGC concentrate to be produced across a range of flake sizes
 - The process used by the attrition cell is very simple and involves the removal of gangue minerals from graphite particles, which cleans the surface of the particles and improves flotation efficiencies downstream without a significant impact on particle size
 - Higher selling prices can be achieved for higher graphite concentrate grades and will also reduce the downstream processing costs of spherical graphite production
 - Opportunity remains to further improve the attrition cell performance with on-going test work
 - Incremental operating costs for the attrition cells are estimated to be less than US\$10 per tonne of concentrate produced
 - Installation of this equipment is integrated into the existing flow sheet



- Further attrition cell test work completed in China has demonstrated that a concentrate grade of >98% TGC can be achieved across all flake sizes for Balama graphite product
- Detailed engineering and procurement of equipment has commenced during Q4 2016.

Laboratory services

The Company has awarded the contract for the supply of on-site laboratory services to Bureau Veritas Mozambique (Bureau Veritas), a global leader in testing, inspection and certification, with a strong presence in Mozambique across seven existing locations.

The contract term with Bureau Veritas is for a five-year period, providing the following:

- All specialist equipment and graphite analysis methodologies
- Experienced senior management and technical team
- 24-hour analysis for processing plant grade control and product certification
- Accreditation of the on-site laboratory to ISO standards
- The onsite laboratory will be ready to commence operations in Q1 2017, ramping up to a 24/7 operation with more than 30 employees. At full production, nearly 1,700 assays of various types are expected to be analysed daily.

Mine support infrastructure

Significant progress has been made with emphasis on the activities described below.

- 15.4 MW Power Station – concrete works well advanced and scheduled for completion by the end of January 2017. All generators delivered and positioned, and electrical installation is ready for commencement
- 700,000 litre Fuel Storage Facility – civil works contract has been awarded and work has commenced
- Main site Administration, Laboratory and Reagents store under construction as planned. Erection of Warehouse and Fixed plant workshop buildings 100% complete
- Main Product storage building (capable of holding 10,000 tonnes of product) – concrete works are in progress and structural steel erection has commenced
- Accommodation camp – 100% availability of rooms for construction and operations with a total capacity for 660 personnel. Approximately 55% of permanent operations personnel are already engaged and located on site



- Water licence for extraction from Chipembe Dam has been extended from 5 to 10 years with construction of pipeline to commence in February 2017. All equipment is on site ready for installation
- Process and raw water ponds – lining of these ponds have been completed. Concrete works for the process water tank and pumps are well advanced and scheduled for completion by the end of January 2017
- Tailings Storage Facility – earthworks for Tailings Storage facility cell 1A nearing completion ready for process plant commissioning and ramp up. Liner installation in progress with 184,000 m² of a total 280,000 m² installed.



Figure 11 – 15.4 MW Power station generators in position



Figure 12 – Tailings Storage Facility Cell 1A



Figure 13 – Lined raw and process water ponds



Figure 14 – Completed accommodation village with 100% room availability for construction and operational personnel

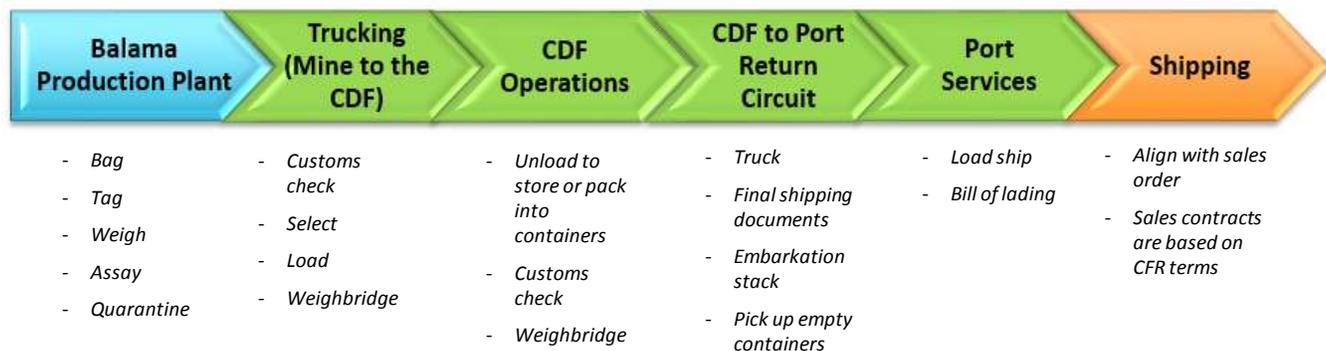
Operations readiness and commissioning

The preparation for the commencement of commissioning and production ramp up is progressing well.

- The Commissioning Plan, Procedures and Schedule continues to be developed with emphasis of stage commissioning of process plant
- Development of operational resourcing and operational systems are in progress to ensure a smooth transition from construction to operations.



Logistics – mine to port



Note: CDF = Crossing docking facility, CFR = Cost and Freight

Figure 15 – Overview of the logistics path

- Significant progress was made during the quarter with a preferred provider (a leading logistics company in Africa) on the terms of a logistics and distribution contract for the transportation of product from Balama to Nacala Port. The award of this contract is expected to be announced in Q1 2017
- The Company will continue to progress discussions with Nacala Port during Q1 2017 regarding the movement of product through the port.
- The Company will finalise initial shipping agreements with international shipping lines who operate services to and from Nacala Port during Q2 2017.



MARKETING

- Sales and Operational Planning (S&OP) processes have been defined to ensure integrated activity between Operations and Marketing through commissioning, ramp-up and into operations
- Market analysis and sales forecasting activities have intensified through the quarter, with focus on market segmentation, product placement, and battery anode material commercial opportunities
- Better definition of value-in-use and price differential analysis developed across the product range
- Customer engagement and commercial negotiation in both the traditional flake and battery anode materials segments has continued to progress well, with a focus on both the implementation of existing flake offtake agreements and additional fines sales
- Potential customers currently engaged in commercial discussions in China, Japan, Korea, Europe, South America and the USA
- Continuing positive customer feedback received for both flake and spherical graphite product samples provided to date. Customers have continued to affirm the high quality of Balama graphite concentrate and spherical graphite, reporting no concerns with quality, deleterious elements or structure
- Sales placement for balancing demand with production ramp-up profile on track
- Back office system and process development on track.

DOWNSTREAM STRATEGY

During November 2016, Syrah provided the market with an update on its downstream battery anode material (BAM) strategy. The strategy consists of three principal stages:

- A Qualification Plant (first line) in Louisiana to enable customers to complete the product qualification process
- A Commercial Plant, also located in Louisiana, to produce initially 20,000 tonnes of BAM with permitting sought for expansion to 60,000 tonnes
- Development of a technology centre in Perth for optimisation of product and production processes.

The BAM strategy presentation also included an update on test work conducted and feedback provided by customers, which were positive and reaffirmed the quality and consistency of the Company's product samples.



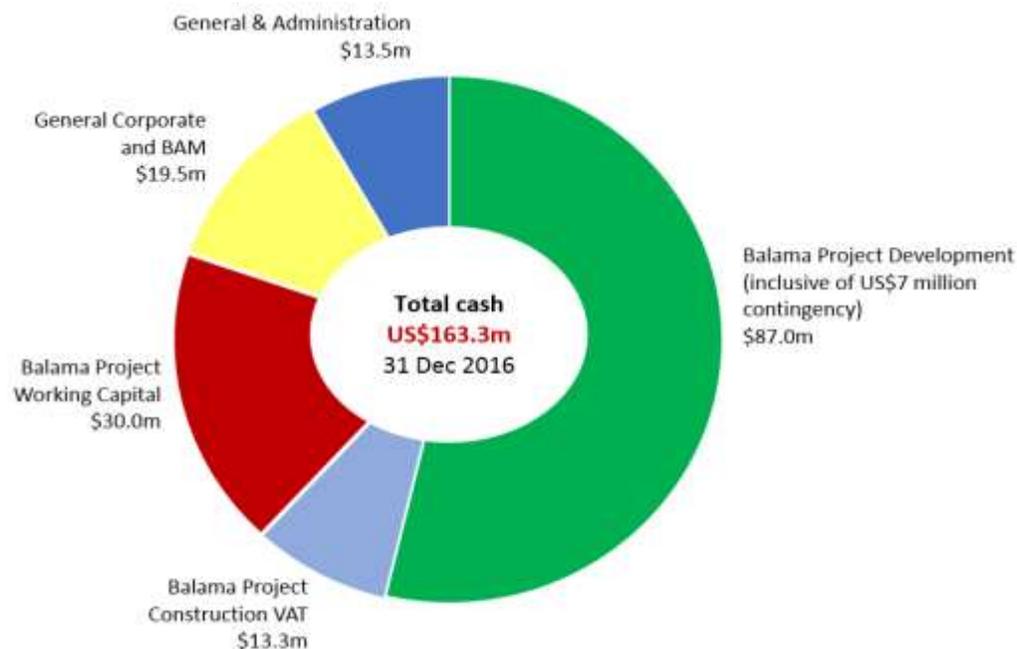
Discussions have since progressed with a number of potential customers, as well as industry participants, which have identified a number of new and value enhancing options for Syrah to consider. The Company is currently reviewing these options and will update the market accordingly.

CORPORATE

Syrah has changed its reporting currency from Australian dollars to US dollars, commencing with the year ending 31 December 2016. The Company believes that this will provide shareholders with a more accurate reflection of the Company's underlying performance and enhance comparability of Syrah's financial information.

The Company's registered office and principal place of business has changed to Level 28, 360 Collins Street, Melbourne VIC 3000.

The balance of cash reserves and projected use of funds as at 31 December 2016 is shown below.



Discussions have now commenced on arranging a debt facility of US\$50 million for the Balama Project and general corporate activities, as a conservative contingency measure for the commissioning and production ramp-up phase.

Syrah continues its discussions with the Mozambique Government in relation to a Mining Agreement for the Balama Project. While this agreement is not required for Syrah to commence mining, it will assist in



clarifying a range of matters including community development matters, employment of expatriate employees, application of the mega projects law, exchange controls, mineral/information data and other matters typically covered in such agreements in developing countries

LICENSES

The following table lists the current licenses held by Syrah Resources Limited and its subsidiaries as at 31 December 2016:

Project	License Number	License Type	Country	Interest acquired/farm -in during the quarter	Interest disposed/farm -out during the quarter
Balama	6432C	Mining Concession	Mozambique	-	-
Balama ¹	5684L	Prospecting License	Mozambique	-	-
Botswana ²	347/2014	Prospecting License	Botswana	-	-
Botswana ²	348/2014	Prospecting License	Botswana	-	-
Botswana ²	349/2014	Prospecting License	Botswana	-	-
Botswana ²	350/2014	Prospecting License	Botswana	-	-
Mt Lyndhurst ³	EL4790/4791	Exploration Licence	Australia	-	100%
Sasare North ⁴	17904-HQ-LPL	Large Scale Prospecting Licence	Zambia	-	100%

Note 1: Syrah has entered into a tenement sale agreement (TSA) for the acquisition of a tenement (Tenement) in Balama from a third party (Seller). Under the TSA, Syrah may be required to issue to the Seller, as part of the contingent consideration for the acquisition of the Tenement, up to US\$2.0 million of fully paid ordinary shares (Sale Shares) in various tranches, with the number of Sale Shares under each tranche to be calculated based on the 30 day volume weighted average price of Syrah shares prior to the issue date. The Sale Shares (if issued) will rank equally with Syrah's existing shares, and will not be issued to an existing class of security holders in Syrah. It is not expected that security holder approval will be required for the issue of Sale Shares.

Note 2: Syrah sent surrender notices to the Botswanan government during the quarter. These notices were received by the government agency on 10th November 2016. The law states that a 3-month notice is required. It is therefore expected that the licences will be fully relinquished in the next quarter (10th February 2017).

Note 3: The Mount Lyndhurst licences were 50% owned by Syrah Resources Limited and 50% owned by the Joint Venture Partner (Zurich Resources Pty Ltd). Zurich pulled out of the joint venture and Syrah subsequently advised the Mines Department of South Australia that the Company will not be renewing these licences. The licences expired on the 18th October 2015. Final reporting for these relinquished licences was completed on 30th November 2015.

Note 4: Syrah submitted a report for the abandonment of this license on 29 March 2016. The Zambian government has acknowledged the receipt of the abandonment application but has yet provided acknowledgement that the license is abandoned. Syrah has since received advice that the government does not send out official notification of abandonment. The licence has been removed from the ministry cadastre portal.



For further information contact:

John Knowles

General Manager – Investor Relations

Contact - +61 419 893 491

Email: ljknowles@optus.net.com.au

Peter Lee

Manager - Investor Relations

Contact: +61 416 729 741

Email: p.lee@syrarahresources.com.au

About Syrah Resources

Syrah Resources Limited (ASX code: SYR) is an Australian-based industrial minerals and technology company. Syrah is currently constructing the Balama graphite project (Balama) in Mozambique, with commissioning scheduled to commence in Q2 2017. Balama will be the leading global producer of high purity graphite. Balama production is targeted to supply traditional industrial graphite markets and emerging technology markets. Syrah has successfully completed extensive product certification test work with several major battery producers for the use of Balama spherical graphite in the anode of lithium ion batteries.

**Competent Person Statements**

The information in this report as it relates to geology, QAQC and Mineral Resource estimation was compiled under the supervision of Mr Jeremy Witley Pr. Sci. Nat., Principal Consultant at The MSA Group (Pty) Ltd. Mr Witley is registered with the South African Council for Natural Scientific Professions (SACNASP) and is a Fellow of the Geological Society of South Africa (GSSA, both are a "Recognised Professional Organisation" by the ASX). He has more than 5 years of experience in the activities being reported on and has sufficient expertise which is relevant to the style of mineralisation and type of deposit under consideration and to the activity 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 Witley consents to the inclusion of this information in the form and context in which it appears in this report. The information in this report that relates to Syrah Balama Ore Reserves is based on information reviewed or work undertaken by Mr Anton Ferdinand von Wielligh Pr Eng, registered with the Engineering Council for South Africa and a Member of the Southern African Institute of Mining and Metallurgy, both are a "Recognised Professional Organisation" by the ASX. Mr von Wielligh is a consultant working for The MSA Group (Pty) Ltd. Mr von Wielligh has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the preparation of mining studies to qualify as a competent person as defined by the JORC Code (2012). Mr von Wielligh consents to the inclusion of this information in the form and context in which it appears in this report.

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

SYRAH RESOURCES LIMITED

ABN

77 125 242 284

Quarter ended ("current quarter")

31 DECEMBER 2016

Consolidated statement of cash flows	Current quarter US\$'000	Year to date (12 months) US\$'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	(22)
(b) development	(32,988)	(104,369)
(c) production	-	-
(d) staff costs ⁽¹⁾	(2,858)	(8,855)
(e) administration and corporate costs	(1,328)	(5,077)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	385	1,262
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)	-	-
1.9 Net cash from / (used in) operating activities	(36,789)	(117,061)

⁽¹⁾ Includes staff costs in relation to project development and corporate & administration functions

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(253)	(257)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter US\$'000	Year to date (12 months) US\$'000
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	(253)	(257)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	144,652
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	-	(4,164)
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	-	140,488

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	201,280	139,978
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(36,789)	(117,061)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(253)	(257)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	140,488
4.5	Effect of movement in exchange rates on cash held	(941)	149
4.6	Cash and cash equivalents at end of period	163,297	163,297

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 US\$'000	Previous quarter US\$'000
5.1 Bank balances	13,825	21,413
5.2 Call deposits	149,443	179,837
5.3 Bank overdrafts	-	-
5.4 Other – Security deposits	29	30
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	163,297	201,280

6. Payments to directors of the entity and their associates	Current quarter US\$'000
6.1 Aggregate amount of payments to these parties included in item 1.2	326
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	

The above related party payments include salaries, superannuation and consultancy fees paid to directors and/or director related entities during the quarter ended 31 December 2016.

7. Payments to related entities of the entity and their associates	Current quarter US\$'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	

N/A

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end US\$'000	Amount drawn at quarter end US\$'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.		

N/A

9. Estimated cash outflows for next quarter	US\$'000
9.1 Exploration and evaluation	-
9.2 Development	37,723
9.3 Production	-
9.4 Staff costs	4,548
9.5 Administration and corporate costs	1,950
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	44,221

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	EL4790/4791 – Mt Lyhurst, Australia	Surrendered (Exploration licence)	100%	Nil
	17904-HQ-LPL – Sasare North, Zambia	Surrendered (Large scale prospecting licence)	100%	Nil
10.2 Interests in mining tenements and petroleum tenements acquired or increased	N/A	N/A	N/A	N/A

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
(Company secretary)

Date: 30 January 2017

Print name:MELANIE LEYDIN.....

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.