



## ASX Release

ASX Code: RLC

17 July 2017

### Quarterly Report for the period ended 30 June 2017

#### SUMMARY

- Geophysical surveys identify lithium brine targets for drilling
- Additional claims staked at Big Smoky South and Columbus Salt Marsh lithium projects
- Cassilis gold project option to purchase terminated



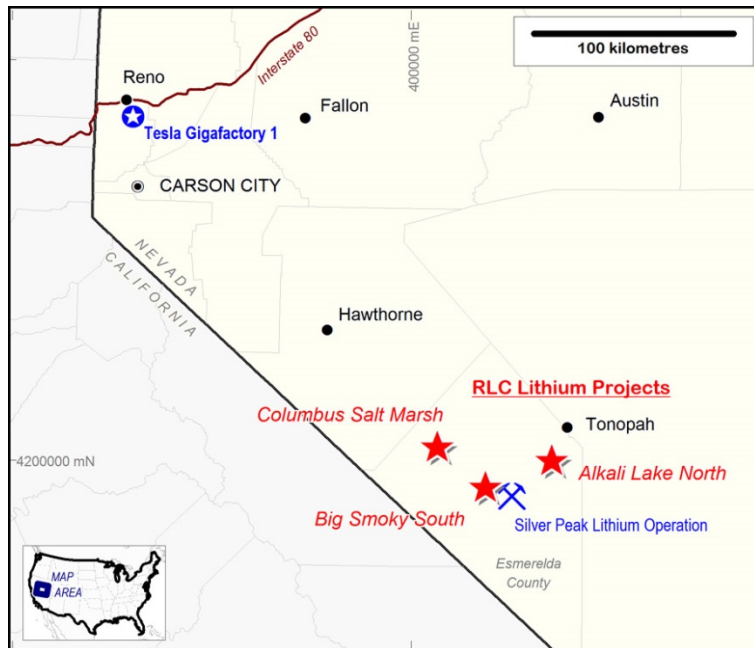
## CURRENT EXPLORATION ACTIVITIES

### Nevada Lithium Brine Projects (Nevada, USA)

### Lithium

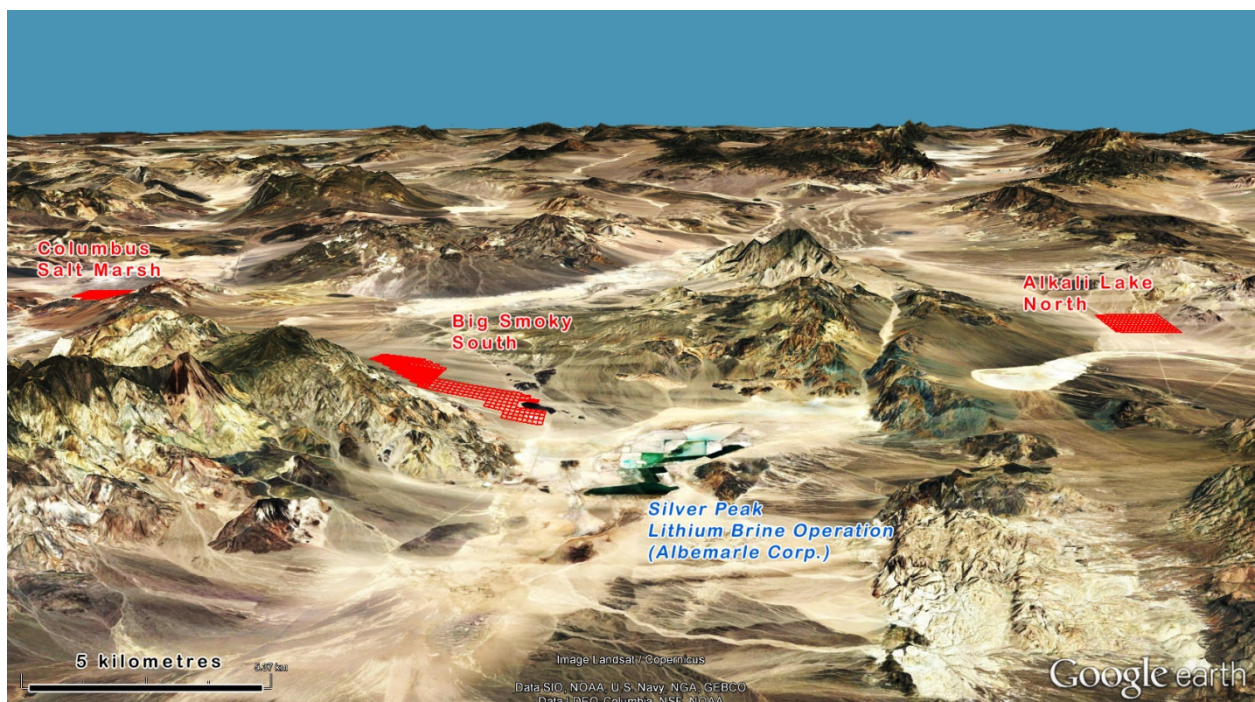
|                      |                                     |
|----------------------|-------------------------------------|
| Alkali Lake North:   | 128 claims – 2,553 acres (1,033 ha) |
| Big Smokey South:    | 239 claims – 4,755 acres (1,924 ha) |
| Columbus Salt Marsh: | 167 claims – 3,311 acres (1,340 ha) |

The Company acquired three lithium brine projects located in Nevada, USA (ASX release 22 December 2016, 3 April December 2016).



The Nevada lithium brine projects comprise Placer Mining Claims over three prospects in large basins (ground water catchment areas) interpreted from topographic and geophysical survey data.

During the quarter 177 additional Claims were staked following the identification of strong conductors in geophysical data from surveys completed in May (ASX releases 26, 29 and 30 May 2017). These additional claims were filed with the US Federal Bureau of Land Management (BLM) and recorded with Esmeralda County during the period.

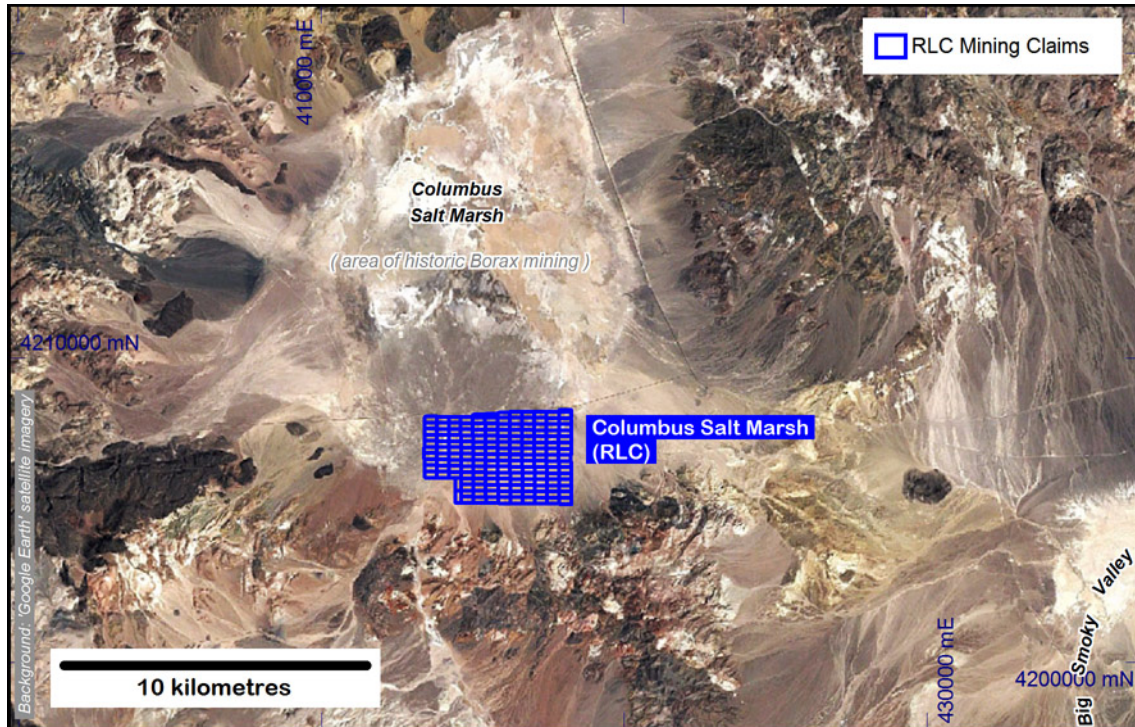


Project claims shown on 3-D image with 3 times vertical exaggeration.



## Columbus Salt Marsh

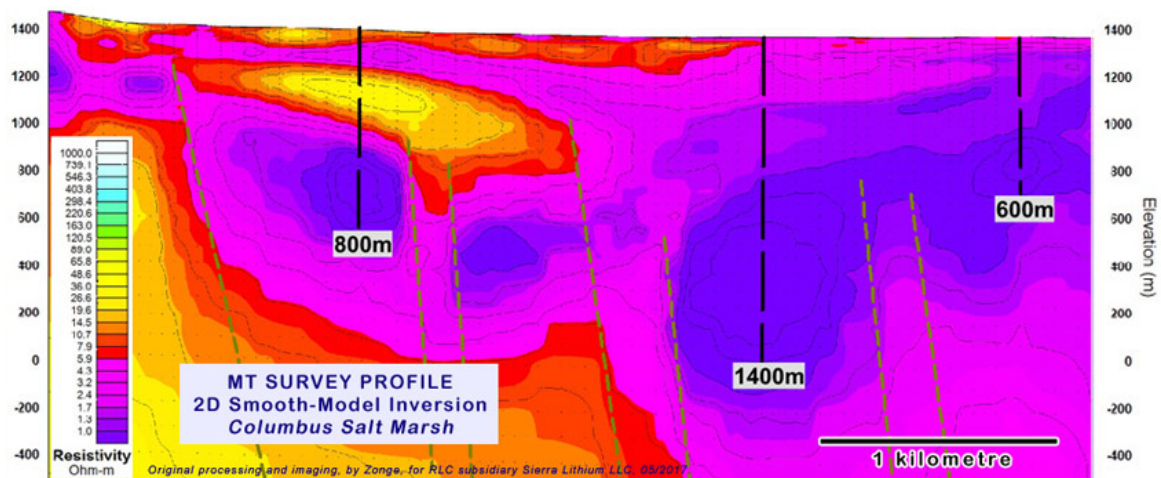
The Columbus Salt Marsh project is within a closed basin located 45km north west of Clayton Valley. This basin has extensive Tertiary volcanic deposits in the surrounding hills. USGS open file gravity data indicates that the centre of the valley has subsided up to 3.5km. The valley is fault bounded and several geothermal springs discharge alkali salts onto the lake surface. These alkali deposits have in the past been mined for borax. The project's claims have been staked along the southern margin of the valley.



Columbus Salt Marsh Project - placer claims shown on Google Earth Image

Very strong brine targets have been identified in magneto-telluric (MT) geophysical surveys conducted during the period. Multiple brine targets have been identified within the project area located in a broad structurally controlled basin (ASX release 30 May 2017).

The geophysical survey method MT was selected because it has the capacity to resolve multiple conductors at varying depths within a basin. Resistivities of one ohm-metre or less are considered indicative of brines. The results clearly indicate a broad, structurally defined basin with multiple, sub one ohm-metre brine targets associated with individual sub-basins.



Columbus Salt Marsh project. MT survey line showing brine targets (<1.0 ohm-metre resistivity - coloured deep blue on this image) and basin structure, and three proposed drill holes.



Brine targets that warrant drilling are observed in the MT survey as follows:

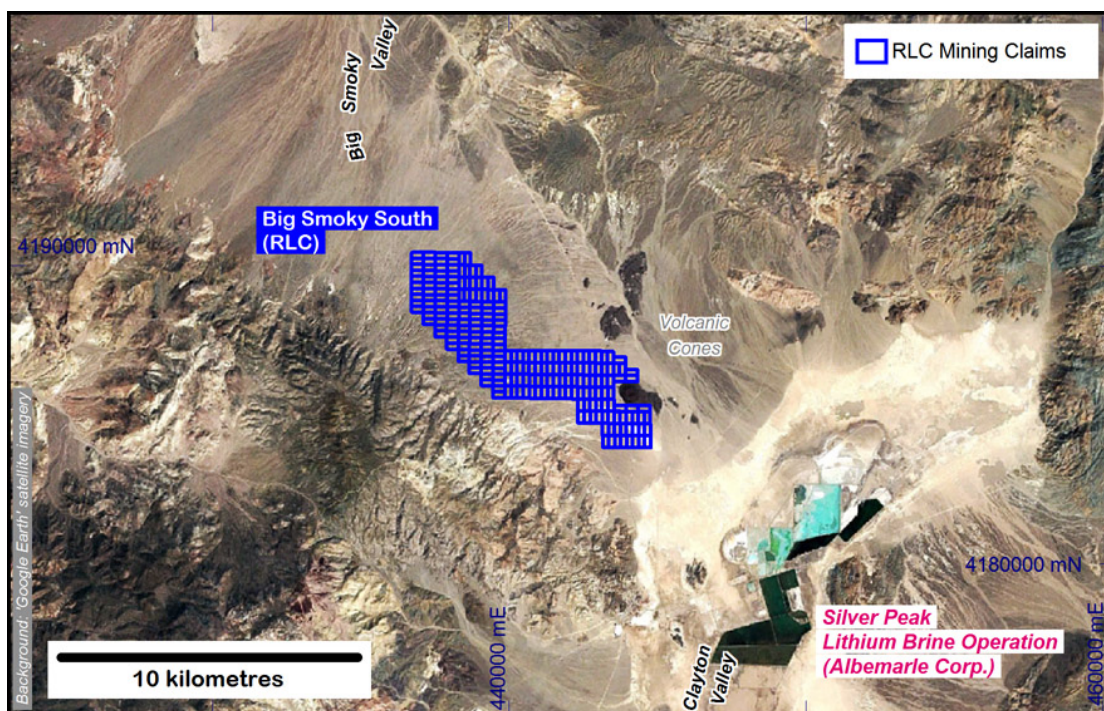
- Two relatively shallow brine targets shown in the above profile with the planned 600m and 800m deep drill holes.
- A deeper, central sub-basin, the top of which is at a depth of 600m and the bottom approximately 1500m. The horizontal width is at least 800m. The spatial association of this deeper target with steep graben faults could result from geothermal activity along the faults at the time of deposition of the basin sediments.
- A shallow near surface aquifer containing saline water and deepening towards the centre of the basin. This will also be tested by the planned drill holes.

The area encompassed by the Company's tenements is located on the southern margin of the Columbus Marsh structural depression. Regional geophysical data indicates that the centre of the basin is very deep and this has been an impediment to exploration in this particular basin in the past. RLC acquired its tenements on the margin of the basin based on a concept that shallow sub-basins should be present on the basin margins. The results of the MT survey fully support this concept.

Drill permitting commenced in May 2017 to prepare for drilling in September.

### Big Smokey South

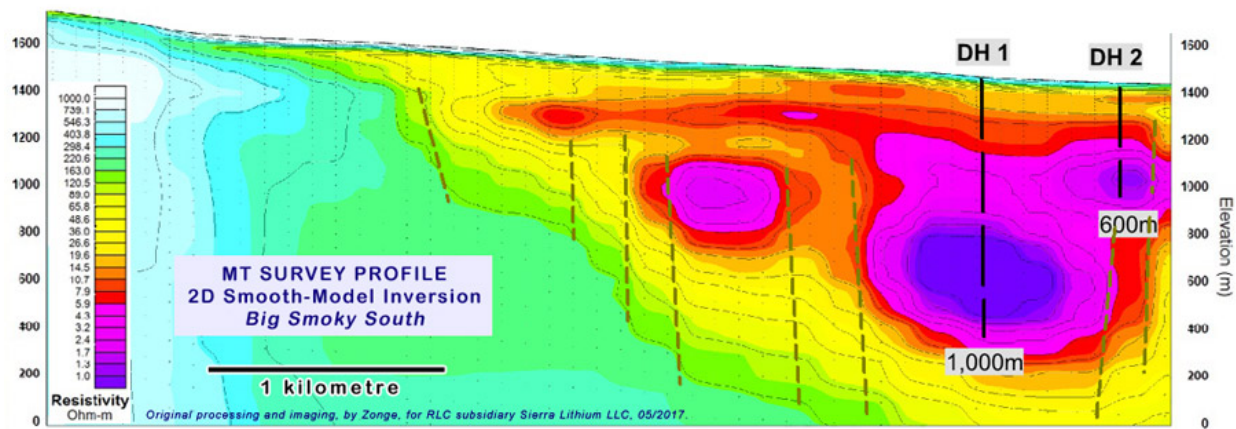
Big Smokey South project is located 10km northwest of the Silver Peak lithium operation where the southern end of Big Smokey Valley meets the western side of Clayton Valley.



Google Earth image showing RLC's Big Smokey Valley South project's placer claims, anomalous USGS NURE water sample results (micrograms per litre) and in the lower LHS, the evaporation ponds of Albemarle Corporation's Silver Peak Lithium Operation.

Strong brine targets have been identified in MT geophysical surveys conducted during the period. The targets are identified within two sub-basins located within the project area (ASX release 26 May 2017).

The geophysical survey method MT was selected because it has the capacity to resolve multiple conductors at varying depths within a basin. Resistivities of one ohm-metre or less are considered indicative of brines. The results clearly indicate brine targets within two basins that are associated with the development of an overall half-graben structure. This half-graben is the structural feature that defines the valley and we believe controls the location of the most prospective brine accumulations and any associated lithium.



Big Smoky South project. MT survey line showing brine targets (<1.0 ohm-metre resistivity - coloured deep blue on this image) and basin structure, and proposed drill holes (DH1, DH2).

Brine targets that warrant drilling are observed in the MT survey as follows:

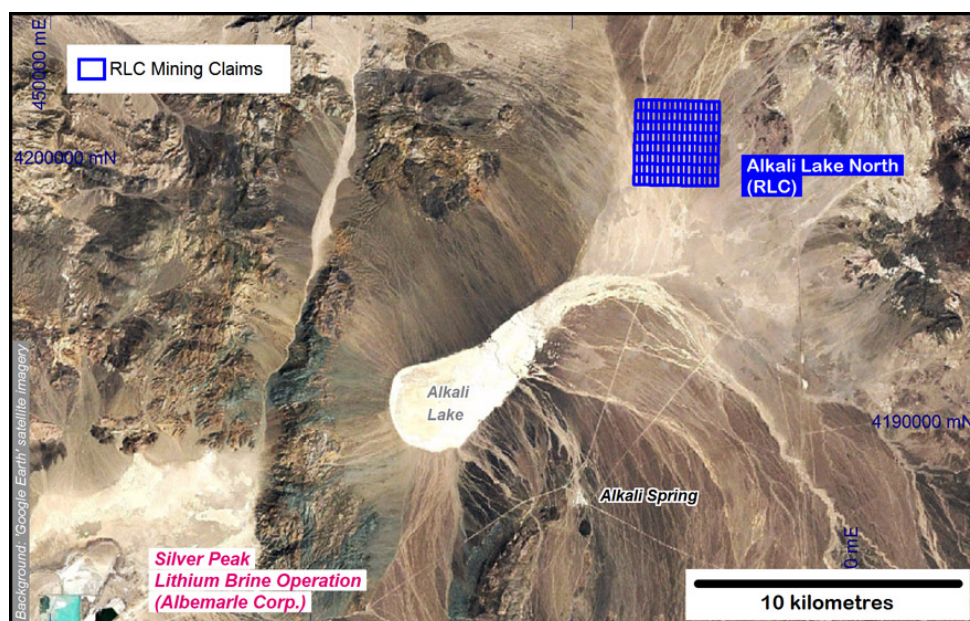
- A brine target of <1.0 ohm-metre resistivity with top of target at a depth of 650m and a vertical thickness of 400m. Horizontal width is 800m. This target is spatially associated with a number of steep graben faults which may have acted as feeder faults for brine enriched fluids to be introduced into the basin. A 1,000m drill hole is planned to test this target.
- A second shallower target is 350m to top of formation and has a 300m vertical thickness. Horizontal width is 350m. This target is closely associated with an interpreted major bounding fault structure. A 600m drill hole is planned to test this target.
- An additional zone with conductivities in the 2.0 to 4.0 ohm-metre range is of interest.

In addition to the above targets there is evidence of a shallow aquifer system at a depth of 150m which could represent a buried playa lake surface. This will also be tested by both drill holes.

Drill permitting commenced in May 2017 to prepare for drilling in September and December quarters.

### Alkali Lake North

The Alkali Lake North Project is located 30km northeast of Silver Peak and it occurs within an extensive 30km long, northwest trending basin that drains to the south towards Alkali Lake. The Google Earth image together with the gravity image suggests that a deep basin is masked by recent alluvium. Several hot springs discharge alkaline salts onto the surface of the playa lake.

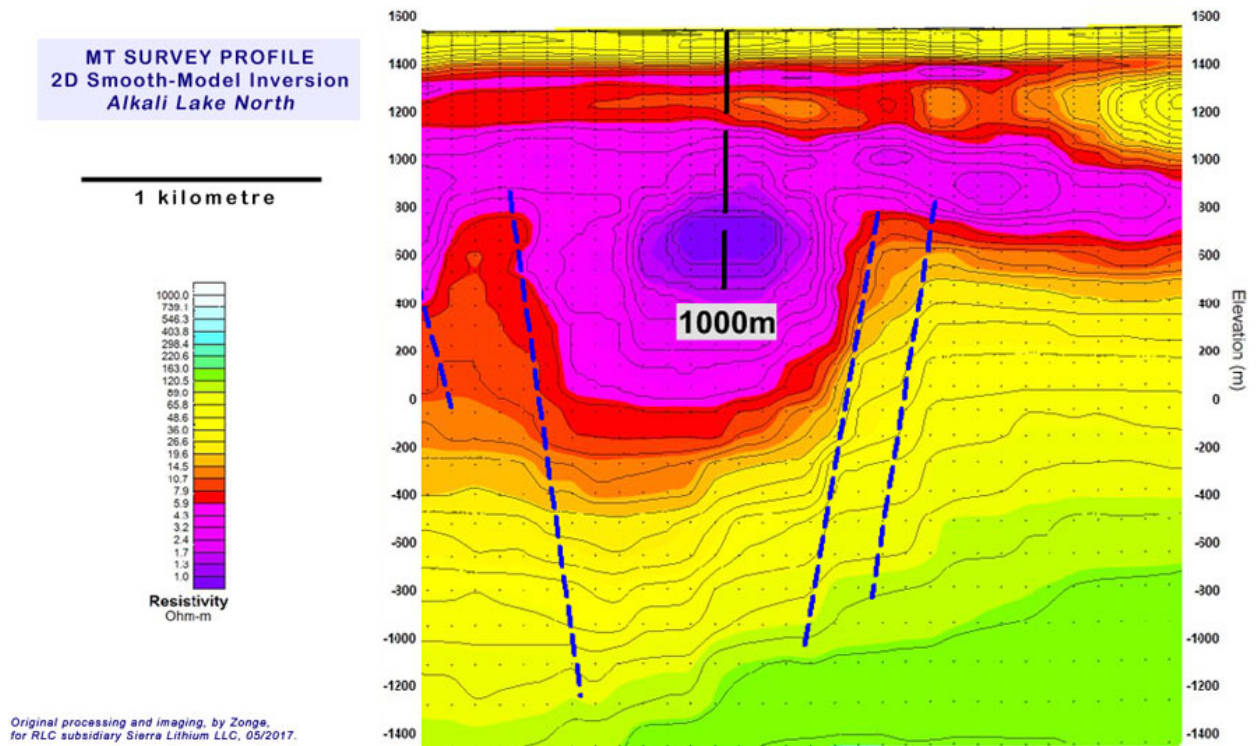


Google Earth Image showing location of placer claims at Alkali Lake



A strong brine target is identified in MT geophysical survey conducted during the period. The target is spatially associated with a discrete sub-basin approximately 1200m wide (refer to ASX release 29 May 2017).

The geophysical survey method MT was selected because it has the capacity to resolve multiple conductors at varying depths within a basin. Resistivities of one ohm-metre or less are considered indicative of brines. The results clearly indicate a broad, structurally defined basin that contains a brine target associated with a discrete fault bounded sub-basin.



*Alkali Lake North project. MT survey line showing brine targets (<1.0 ohm-metre resistivity - coloured deep blue on this image) and basin structure, and proposed drill hole.*

Brine targets that warrant drilling are observed in the MT survey as follows:

- A brine target associated with a sub one ohm-metre MT anomaly zone that is approximately 800m wide, 400m vertical extent and approximately 700m to top of formation.
- The brine target is within a substantial sub-basin up to 1200m wide located in the middle of the Company's property.
- The sub-basin and the MT anomaly are defined by a series of steep graben faults which may have been geothermally active and introduced brine solutions into the graben.
- A shallow near surface aquifer containing saline water and deepening towards the centre of the basin will also be tested by the planned drill hole.

Drill permitting commenced in May 2017 to prepare for drilling in September and December quarters.

## **Burracoppin Iron-ore Project (WA)**

## **Magnetite**

RLC 100% Application for E70/4941 (area 5,854 Ha) lodged 9/01/2107

In January 2017, Bullamine Magnetite Pty Ltd, a wholly owned subsidiary of Reedy Lagoon, lodged an application for an exploration licence covering its previous Burracoppin Magnetite Prospect located near Merredin in Western Australia.

Reedy Lagoon held the Burracoppin Magnetite deposit when it was discovered in 2012 with its then joint venture farm-in partners: Cliffs Magnetite Holdings Pty Ltd (manager), NS Iron Ore Development Pty Ltd and Sojitz Mineral Development Pty Ltd. The farm-in parties withdrew in 2014 and Reedy Lagoon relinquished the ground in April 2016.

Magnetite mineralisation in multiple bands with variable continuity was intersected by drilling in 2012 by our previous joint venture. Additional drilling is required to better understand the extent of the mineralisation. However, the limited drilling completed indicates the mineralised bands have combined horizontal widths of between 150 metres and 200 metres. Detailed magnetic data indicate a strike length of 3,000 metres and a potential tonnage of magnetite bearing rock of between 140 and 220 million tonnes (refer to ASX release 31 January 2013). *Note that the potential quantity and grade of the Burracoppin deposit is conceptual in nature. There has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.*

Metallurgical studies on core samples have produced concentrate with high iron levels (67% to 70% Fe) and low levels of impurities at a relatively coarse grind size (P80 -150 micron) (refer to ASX release 23 November 2012).

No field work was conducted during the report period.

## **Edward Creek (SA)**

## **Uranium**

RLC 100% (excluding diamonds) EL 5580 total area 343 km<sup>2</sup>

The low uranium price and a joint venture partner maintaining minimum exploration expenditure on the tenement enable RLC to postpone its planned exploration for uranium without penalty. Any exploration success with uranium in the current period would likely generate very little interest amongst potential joint venture partners and investors.

No field activities were undertaken during the period.

## **Cassilis Gold (VIC)**

## **Gold**

The parties to the Cassilis Agreement dated 4 June 2015 agreed to terminate the agreement on 7 June 2017 thus cancelling the Company's option to acquire the Cassilis gold project.

No field work was conducted during the quarter.

## COMMENT

Net cash outflow for the June 2017 quarter was \$19,435 following:

- a successful capital raising of \$522K
- payment of \$469K for exploration related costs primarily on the newly acquired Nevada Lithium projects; and
- \$42K for costs associated with the acquisition of the 3 lithium brine projects and the related February 2017 extraordinary general meeting of shareholders.

At 30 June 2017 RLC had \$183,300 in bank accounts and deposits.

Shareholders approved the acquisition of the Nevada Lithium Brine projects at an Extraordinary General Meeting held on 3 April 2017.

The Company raised \$521,947 from shareholders who subscribed under the Entitlement Offer.

One or more further capital raises are planned to fund drilling at the 3 lithium brine projects. In connection with these capital raisings, the Company will complete its acquisition of the 3 lithium brine projects by issuing the vendors \$2m worth of RLC Shares (refer ASX release 22 December 2016).

## FORTHCOMING ACTIVITIES

| Project                                    | Activity Planned   | Timetable |
|--|--|-----------|
| Columbus Salt Marsh<br><i>Lithium</i>      | Drilling of brine targets (ground water aquifers)  | Sep Q     |
| Big Smoky South<br><i>Lithium</i>          | Drilling of brine targets (ground water aquifers)  | Dec Q     |
| Alkali Lake North<br><i>Lithium</i>        | Drilling of brine targets (ground water aquifers)  | Dec Q     |
| Burracoppin<br><i>Iron-ore (magnetite)</i> | Waiting grant of tenement.   | TBD       |
| Edward Creek<br><i>Uranium</i>             | Drilling at Victory prospect on hold   | TBD       |
| Capital raising                            | funding for works including drilling of brine targets (indicative amount : more than \$2m) | Sep Q     |

All exploration activities are restricted pending further capital raising and are subject to contractor availability.

TBD = to be determined

For further information, please contact:

Geof Fethers, Managing Director.

Telephone: (03) 8420 6280

or visit our Website at [www.reedylagoon.com.au](http://www.reedylagoon.com.au)

### Competent Person's Statement:

The information in the section headed "Nevada Lithium Brine Projects" of this report as it relates to exploration results and geology was compiled by Mr Geoff Balfe who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Balfe is a consultant to Reedy Lagoon Corporation Limited and Mr Balfe is a vendor to Reedy Lagoon Corporation Limited of shares in Nevada Lithium Pty Ltd. (which owns the lithium brine projects). Mr Balfe has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Balfe consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The information in the sections headed: "Edward Creek" and "Burracoppin" in this report that relates to Exploration Results is based on information compiled by Geof Fethers, who is a member of the Australian Institute of Mining and Metallurgy (AusIMM). Geof Fethers is a director of the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code)". Geof Fethers consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



Where Exploration Results have been reported in earlier RLC ASX Releases referenced in this report, those releases are available to view on the NEWS page of reedylagoon.com.au. The company confirms that it is not aware of any new information or data that materially affects the information included in those earlier releases. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Mining tenements.

Located in Australia

| Tenements at end of quarter |                      |                      |
|-----------------------------|----------------------|----------------------|
| Project / Location          | Tenement number      | Company Interest (%) |
| EDWARD CREEK (SA)           | EL 5580              | 100 (excl. diamond)  |
| BURRACOPPIN (WA)            | APPLICATION E70/4941 | 100%                 |

| Joint ventures at end of quarter |           |                                     |
|----------------------------------|-----------|-------------------------------------|
| Agreement                        | Tenements | Company Interest (%)                |
| Diamond Farm-out Agreement       | EL 5580   | 100% all minerals excluding diamond |

Mining tenements.

| Tenements changed during the quarter: |                      |                    |
|---------------------------------------|----------------------|--------------------|
| Project / Location                    | Tenement number      | Change             |
| BURRACOPPIN (WA)                      | APPLICATION E70/4941 | Application lodged |

Located in USA

Tenements (all Placer Claims) at end of quarter

| Claim Name                         | Claim Numbers  | Corresponding<br>BLM NMC<br>Number   | Total Claims | Total Area |
|------------------------------------|--|--|--------------|------------|
| <b>Columbus Salt Marsh Project</b> |  |  |              |            |
| <b>CB Claims</b>                   | CB-1 to CB-12<br>CB-17 to CB-28<br>CB-33 to CB-44<br>CB-47 to CB-60<br>CB-63 to CB-76<br>CB-79 to CB-95<br>CB-101 to CB-186  | NMC 1138099<br><br>to<br><br>NMC 1138179<br>NMC 1146279 to<br>NMC 1146364        | 167          | 1,340 ha   |
| <b>Big Smoky South Project</b>     |  |  |              |            |
| <b>MB Claims</b>                   | MB-53 to MB-68<br>MB-77 to MB-82<br>MB-89 to MB-96<br>MB-101 to MB-228<br>MB-301 to MB-318<br>MB-320<br>MB-322 to MB-340<br>MB-342<br>MB-344 to MB-368<br>MB-370 to MB-382<br>MB-384 to MB-390<br>MB-392 to MB-398 | NMC 1138180<br>to<br><br>NMC 1138327<br>NMC 1146188<br><br>to<br><br>NMC 1146278 | 239          | 1,924 ha   |
| <b>Alkali Lake North Project</b>   |  |  |              |            |
| <b>WH Claims</b>                   | WH-1 to WH-128   | NMC 1138328 to<br>NMC 1138455  | 128          | 1,036 ha   |

Tenements (all Placer Claims) changed during the quarter

| Claim Name                         | Claim Numbers  | Corresponding<br>BLM NMC<br>Number       | Total New<br>Claims | Total Area |
|------------------------------------|--|--|---------------------|------------|
| <b>Columbus Salt Marsh Project</b> |  |  |                     |            |
| <b>CB Claims</b>                   | CB-101 to CB-186   | NMC 1146279 to<br>NMC 1146364            | 86                  | 704 ha     |
| <b>Big Smoky South Project</b>     |  |  |                     |            |
| <b>MB Claims</b>                   | MB-301 to MB-318<br>MB-320<br>MB-322 to MB-340<br>MB-342<br>MB-344 to MB-368<br>MB-370 to MB-382<br>MB-384 to MB-390<br>MB-392 to MB-398 | NMC 1146188<br><br>to<br><br>NMC 1146278 | 91                  | 736 ha     |

Joint ventures changed during period: Nil

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

REEDY LAGOON CORPORATION LIMITED

ABN

41 006 639 514

Quarter ended ("current quarter")

30 June 2017

### Consolidated statement of cash flows

| Cash flows related to operating activities        |   | Current quarter<br>\$A'000 | Year to Date<br>(12 months)<br>\$A'000 |
|---|---|----------------------------|--|
| 1.1   | Receipts from product sales and related debtors       | 1                          | 20                                     |
| 1.2   | Payments for  |                            |  |
|   | (a) exploration and evaluation                        | (469)                      | (485)                                  |
|   | (b) development                                       | -                          | -                                      |
|   | (c) production  | -                          | -                                      |
|   | (d) administration                                    | (29)                       | (200)                                  |
| 1.3   | Dividends received                                    | -                          | -                                      |
| 1.4   | Interest and other items of a similar nature received | -                          | -                                      |
| 1.5   | Interest and other costs of finance paid              | -                          | 1                                      |
| 1.6   | Income taxes paid                                     | -                          | -                                      |
| 1.7   | Other (provide details if material) –                 |                            |  |
|   | Net GST /PAYG paid(received/recovered)                | (7)                        | (12)                                   |
|   | Restructure/EGM costs                                 | (42)                       | (74)                                   |
|   |   | (546)                      | (751)                                  |
| <b>Net Operating Cash Flows</b>                   |   |                            |  |
| <b>Cash flows related to investing activities</b> |   |                            |  |
| 1.8   | Payment for purchases of:                             | -                          | -                                      |
|   | (a)prospects  | -                          | -                                      |
|   | (b)equity investments                                 | -                          | -                                      |
|   | (c) other fixed assets                                | -                          | -                                      |
| 1.9   | Proceeds from sale of:                                | -                          | -                                      |
|   | (a)prospects  | -                          | -                                      |
|   | (b)equity Investments                                 | -                          | -                                      |
|   | (c)other fixed assets                                 | -                          | -                                      |
| 1.10  | Loans to other entities                               | -                          | -                                      |
| 1.11  | Loans repaid by other entities                        | -                          | -                                      |
| 1.12  | Other (provide details if material)                   |                            |  |
|   | Proceeds from loan by director                        | 4                          | 34                                     |
|   | Repayment of loan from director                       | -                          | (30)                                   |

+ See chapter 19 for defined terms.



|   |  |       |       |
|---|--|-------|-------|
| <b>Net investing cash flows</b>                   |  | 4     | 4     |
| 1.13  | Total operating and investing cash flows (carried forward) | (542) | (747) |
| 1.13  | Total operating and investing cash flows (brought forward) | (542) | (747) |
| <b>Cash flows related to financing activities</b> |  |       |       |
| 1.14  | Proceeds from issues of shares, options, etc.              | 522   | 836   |
| 1.15  | Proceeds from sale of forfeited shares                     |       |       |
| 1.16  | Proceeds from borrowings                                   |       |       |
| 1.17  | Repayment of borrowings                                    |       |       |
| 1.18  | Dividends paid   |       |       |
| 1.19  | Other (share issue costs)                                  | -     | (9)   |
| <b>Net financing cash flows</b>                   |  | 522   | 827   |
| <b>Net increase (decrease) in cash held</b>       |  | (20)  | 80    |
| 1.20  | Cash at beginning of quarter/year to date                  | 203   | 103   |
| 1.21  | Exchange rate adjustments to item 1.20                     | -     | -     |
| 1.22  | <b>Cash at end of quarter</b>                              | 183   | 183   |

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

|      |   | Current quarter<br>\$A'000 |
|------|---|----------------------------|
| 1.23 | Aggregate amount of payments to the parties included in item 1.2 (net of GST)   | -                          |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10  | -                          |
| 1.25 | <p>Explanation necessary for an understanding of the transactions</p> <div style="border: 1px solid black; padding: 10px;"> <p>No directors' fees or wages were paid in respect of fees and wages payable for services provided by directors during the report period. Amounts accrued during the period as potentially payable to directors are: Mr Fethers: \$36,135, Mr Hamer : \$10,000, Mr Griffin : \$10,000 (\$56,135 in total).</p> <p>At 30 June 2017 a total of \$208,540 has been accrued but not yet paid in respect to fees and wages payable for services provided by directors.</p> </div> |                            |

**Non-cash financing and investing activities**

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows
- None

+ See chapter 19 for defined terms.

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

None

### Financing facilities available

*Add notes as necessary for an understanding of the position.*

|                                 | Amount available<br>\$A'ooo | Amount used<br>\$A'ooo |
|---------------------------------|-----------------------------|------------------------|
| 3.1 Loan facilities             | -                           | -                      |
| 3.2 Credit standby arrangements | -                           | -                      |

### Estimated cash outflows for next quarter

|                                | \$A'ooo      |
|--------------------------------|--------------|
| 4.1 Exploration and evaluation | 1,200 *      |
| 4.2 Development                | -            |
| 4.3 Production                 | -            |
| 4.4 Administration             | 135          |
| <b>Total</b>                   | <b>1,335</b> |

\* Subject to capital raising

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

|  | Current quarter<br>\$A'ooo | Previous quarter<br>\$A'ooo |
|--|----------------------------|-----------------------------|
| 5.1 Cash on hand and at bank                     | 9                          | 17                          |
| 5.2 Deposits at call                             | 174                        | 186                         |
| 5.3 Bank overdraft                               |                            |                             |
| 5.4 Other (provide details)                      |                            |                             |
| <b>Total: cash at end of quarter (item 1.22)</b> | <b>183</b>                 | <b>203</b>                  |

### Changes in interests in mining tenements

| Tenement<br>reference | Nature of interest | Interest at<br>beginning<br>of quarter | Interest at<br>end of<br>quarter |
|-----------------------|--------------------|--|----------------------------------|
|-----------------------|--------------------|--|----------------------------------|

+ See chapter 19 for defined terms.

|     |   |  |               |   |  |
|-----|---|--|---------------|---|--|
| 6.1 | Interests in mining tenements relinquished, reduced or lapsed |  |               |   | -  |
| 6.2 | Interests in mining tenements acquired or increased           |  |               |   |  |
|     | Tenements (Placer Claims) located in Nevada, USA              | CB-101 to CB-186<br>MB-301 to MB-318<br>MB-320<br>MB-322 to MB-340<br>MB-342<br>MB-344 to MB-368<br>MB-370 to MB-382<br>MB-384 to MB-390<br>MB-392 to MB-398 | Placer Claims | Nil<br>Nil<br>Nil<br>Nil<br>Nil<br>Nil<br>Nil<br>Nil<br>Nil | 100%<br>100%<br>100%<br>100%<br>100%<br>100%<br>100%<br>100%<br>100% |

### Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

|     |  | Total number | Number quoted | Issue price per security<br>(see note 3)<br>(cents) | Amount paid up per security<br>(see note 3)<br>(cents) |
|-----|--|--------------|---------------|---|--|
| 7.1 | <b>Preference securities</b><br>(description)  | -            | -             |   |  |
| 7.2 | Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through returns of capital, buy-backs, redemptions | -            | -             |   |  |
| 7.3 | <b>*Ordinary securities</b>  | 175,675,168  | 175,675,168   |   | Fully paid   |
| 7.4 | Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through returns of capital, buy-backs              | 17,398,222   | 17,398,222    |   | Fully paid-  |
| 7.5 | <b>*Convertible debt securities</b><br>(description)   | -            | -             |   |  |

+ See chapter 19 for defined terms.



|      |   |                               |                      |                                     |  |
|------|---|-------------------------------|----------------------|-------------------------------------|--|
| 7.6  | Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through securities matured, converted |                               |                      |                                     |  |
|      |   | Total number                  | Number quoted        | Exercise price                      | Expiry date  |
| 7.7  | <b>Options</b><br>(description and conversion factor)   | 900,000<br>900,000<br>900,000 | NONE<br>NONE<br>NONE | 20 cents<br>1.1 cents<br>1.33 cents | 31 December 2017<br>31 December 2018<br>31 December 2019 |
| 7.8  | Issued during quarter   | NONE                          |                      |                                     |  |
| 7.9  | Exercised during quarter  | NONE                          |                      |                                     |  |
| 7.10 | Expired during quarter  | NONE                          |                      |                                     |  |
| 7.11 | <b>Debentures</b><br>(totals only)  |                               |                      |                                     |  |
| 7.12 | <b>Unsecured notes</b> (totals only)  |                               |                      |                                     |  |

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: ..... Date: 17 July 2017  
(Director)

Print name: GEOFFREY FETHERS

## 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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

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+ See chapter 19 for defined terms.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.