30 January 2016

QUARTERLY ACTIVITIES REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2016

HIGHLIGHTS

- **MT ALEXANDER PROJECT:**
  - **Excellent results from preliminary metallurgical flotation work with over 99% recovery of nickel and copper in bulk concentrate**
  - **New aeromagnetic survey completed with a number of new structures identified that may host further mineralised ultramafics**
  - **Fixed loop electromagnetic (FLEM) SAMSON survey commenced over the Cathedrals Belt with new EM anomalies identified deeper than any previously explored by St George**
  - **Assay results for St George's second drill programme at Mt Alexander confirm multiple intersections of high grade nickel-copper sulphide mineralisation at the Cathedrals Belt**

- **EAST LAVERTON PROJECT:**
  - **Drilling at Ascalon extends size of the large hydrothermal system with an anomalous gold horizon extending over 2,000m**
  - **Drilling at Bristol confirms a large supergene gold footprint over 1,500m strike**

- **CORPORATE:**
  - **Cash balance at 31 December 2016 of $6.4m**
  - **R&D cash rebate of $2.33m received in October 2016**

St George Mining Limited (**ASX:SGQ**) ("St George" or "the Company") is pleased to present its Quarterly Activities Report for the quarterly period ended 31 December 2016.

STRONG EXPLORATION RESULTS AT THE MT ALEXANDER PROJECT
Successful Metallurgical Test
Metallurgical flotation test work was completed in October 2016 on a sample of massive nickel-copper sulphide mineralisation from the Cathedrals Prospect. The sample was from drill hole MAD18 and is considered representative of the ultramafic-hosted massive sulphide mineralisation at the Cathedrals Prospect.

The purpose of this preliminary test work was to investigate the amenability of the mineralisation to commercial processing and to assess any potential smelter credits from the PGEs and cobalt within the massive sulphides.

The metallurgical test work produced excellent results demonstrating a flowsheet capable of producing separate saleable copper and nickel concentrates at high recoveries.

The results from the metallurgical test work are summarised as follows:

- Selective separate flotation of copper and nickel concentrates was achieved
- Recovery of nickel and copper to bulk concentrate exceeded **99%**, demonstrating the exceptional amenability of the Mt Alexander massive sulphide to the flotation process
- Nickel recovery of 89.4% produced a nickel concentrate with **18%Ni** (>13%Ni is considered saleable concentrate)
- Copper recovery of 85.8% produced a copper concentrate with **32%Cu** (>24%Cu is considered saleable concentrate)

- Copper not recovered directly in the copper concentrate is recovered in the nickel concentrate resulting in an overall copper recovery of 99.7%
- Cobalt is recovered in the nickel concentrate with a grade of **0.55%Co** which would attract smelter credits
- Excellent recoveries of Platinum Group Elements (PGEs), with **3.2g/t** PGEs + Au in the copper concentrate and **13.5g/t** PGEs + Au in the nickel concentrate. The PGEs in the nickel concentrate would likely attract significant smelter credits
- The levels of deleterious smelter elements in both concentrates are very low

The test work was completed by Strategic Metallurgy Pty Ltd, recognised as leading consultants in nickel sulphide metallurgy. Further metallurgical tests will be scheduled for completion in 2017 as St George continues to establish a resource base at the Mt Alexander Project.

Figure 1 – photographs of a metallurgical flotation test on the Mt Alexander massive sulphide. On left: copper flotation test, with concentrates up to 32%Cu produced. On right: nickel flotation test, with concentrates up to 18%Ni produced.

New Aeromagnetic Survey Identifies Additional Targets

An airborne magnetic survey was completed during October 2016 over all four granted tenements at the Mt Alexander Project, including the newly granted Exploration Licence E29/954 that is owned 100% by St George and which has never been explored.

The new, high resolution magnetic data generated by the survey has identified a number of new structures that have potential to host mineralised ultramafics, including a potential extension of the Cathedrals Belt to the east for an additional 8km strike. These new targets are being prioritised for follow-up exploration.

The aeromagnetic survey was flown in two blocks – the northern block that covered the east-northeast trending Cathedrals Belt and surrounding area, and the southern block that covered the north-northwest oriented Mt Alexander Belt and surrounding area. A total of 4,472 line kilometres were flown in the survey, which was completed on a 50m line spacing with a sensor height around 40m.

Figure 2 illustrates the high resolution magnetic data for the northern block and highlights the prominent magnetic features identified in the potential eastern extension of the Cathedrals Belt. These may represent further ultramafics that could be prospective for massive nickel-copper sulphide mineralisation.

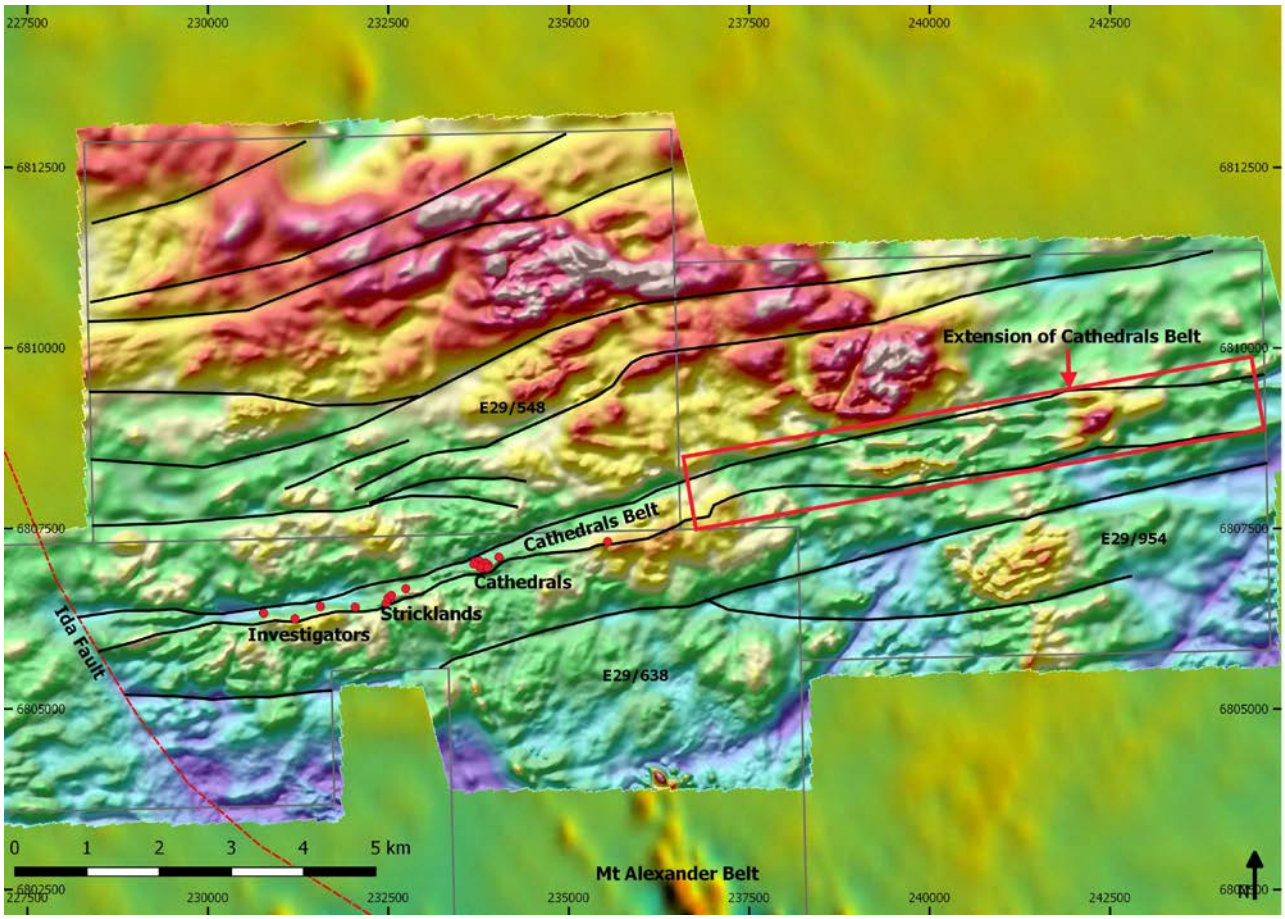

Figure 2 – new high resolution magnetic data (Total Magnetic Intensity RTP) for the northern block clearly recognises the prominent magnetic features that may represent the eastern extension of the Cathedrals Belt. Drill holes with nickel-copper-PGE sulphides in the western part of the Belt are shown in red. Other east-northeast interpreted structures north and south of the Cathedrals Belt are also shown. The new high resolution magnetic data is set against TMI RTP magnetics from regional GSWA aeromagnetic surveys.

Figure 3 shows the new, high resolution magnetic data (as RTP 1st vertical derivative) over all four granted tenements at Mt Alexander. The main Mt Alexander ultramafic belt is clearly identified in the southern block as prominent north-northwest trending magnetic features.

Historical drilling along this belt has successfully intersected mineralised ultramafics over a strike of 7km. This previous drilling did not, however, fully test the ultramafic sequences with drilling only completed as wide-spaced drill holes or single drill holes. The belt remains highly prospective for a potential nickel sulphide deposit.

Three additional magnetic trends are observed in the new data to the west and east of the main belt. These magnetic features may be sequences of ultramafic rocks parallel to the main ultramafic belt. These belts have never been explored and present another excellent exploration opportunity for St George.

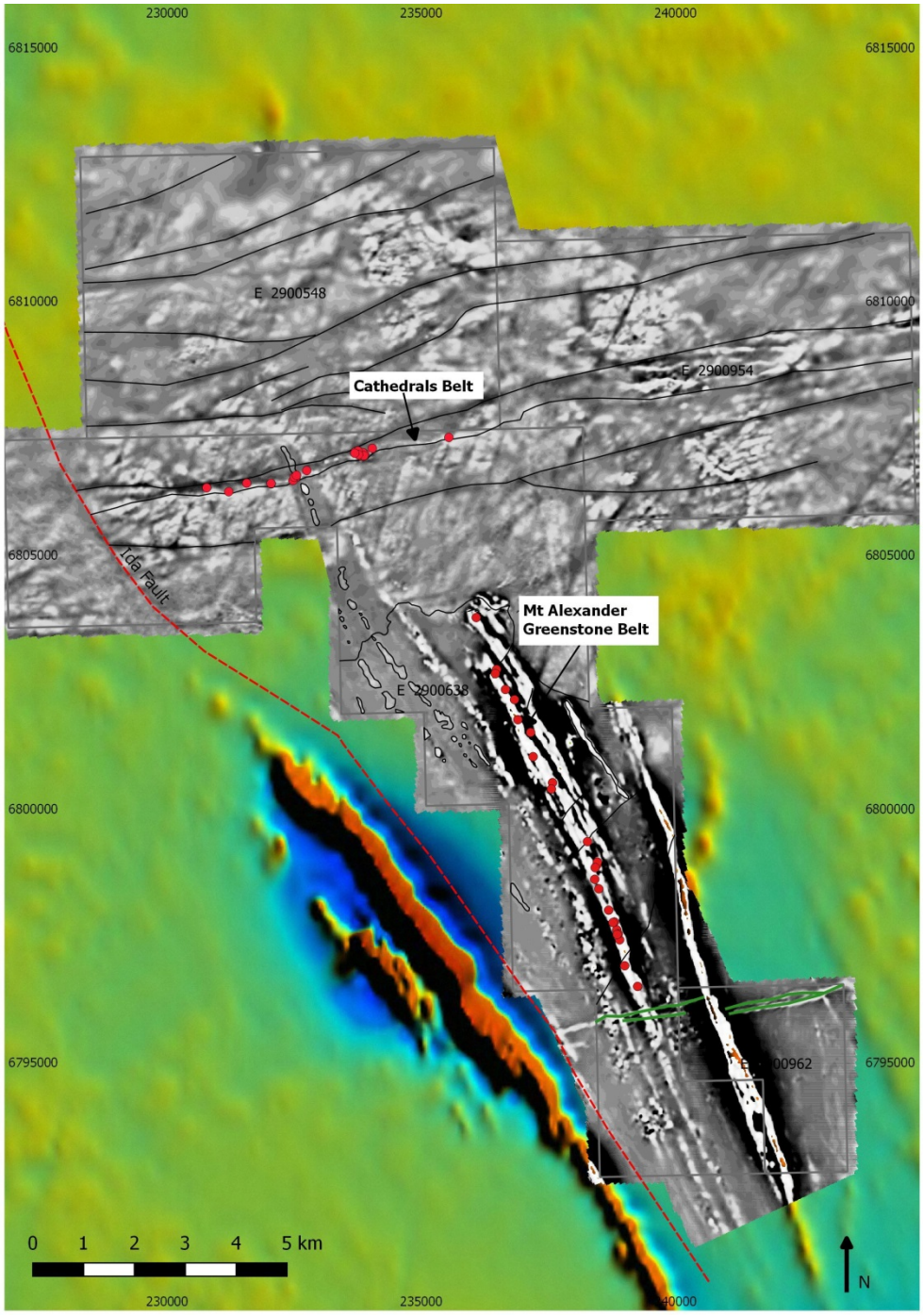

Figure 3 – new high resolution magnetic data (RTP 1VD) for both the northern and southern blocks merged together. The new high resolution magnetic data is set against lower-resolution regional TMI RTP magnetics. The new data clearly recognises the north-northwest Mt Alexander Belt and a series of weak-moderate magnetic sequences that are parallel to the west and east of the mineralised ultramafic trend. Drill holes with nickel sulphides shown in red.

High Powered EM Survey over the Cathedrals Belt

A new, deep search EM survey commenced at Mt Alexander in early November 2016. This FLEM survey uses the deep penetrating SAMSON system developed by GAP Geophysics. The system utilises a very powerful transmitter and can deliver approximately twice the depth penetration typically achieved by the conventional EM surveys undertaken at the Cathedrals Belt to date.

The survey was initially designed to cover the 3.5km strike length of the Cathedrals Belt where St George made multiple discoveries of shallow massive nickel-copper sulphides in the two drill programmes completed in 2016. The survey was subsequently extended to also cover the potential eastern extension of the Cathedrals Belt inferred from the latest aeromagnetic data.

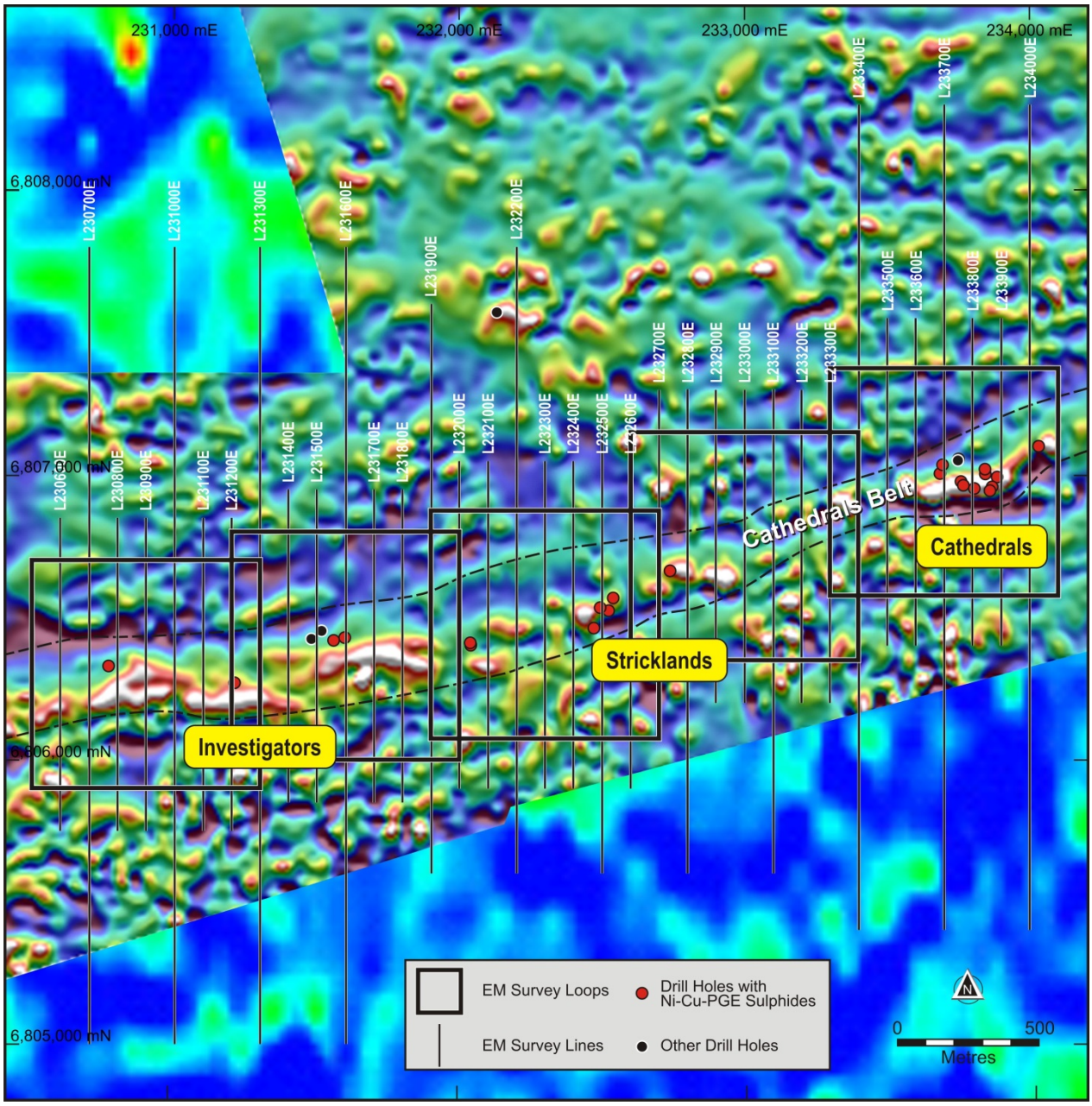

Figure 4 – a plan view of the Cathedrals Belt (against TMI 1VD magnetics) showing the planned EM loops and survey lines for the new FLEM survey over the western section of the Cathedrals Belt. Nineteen diamond drill holes completed in 2016 by St George over this part of the Belt intersected high grade nickel-copper sulphides at depths ranging from 25m to 170m. The FLEM SAMSON survey has detected new EM conductors that are deeper than the massive nickel-copper sulphides intersected to date.

Given the high success rate to date in testing EM conductors in the Cathedrals Belt, any new EM anomalies are considered priority targets for further massive nickel-copper sulphides.

Initial modelling of the FLEM SAMSON data indicates that a number of new EM anomalies, which have properties consistent with massive sulphides, have been detected in the western section of the Belt. These new EM anomalies include targets deeper than any previously explored by St George. Infill EM surveys are currently underway to provide additional data to better constrain the targets ahead of drilling.

The FLEM SAMSON survey has also been completed in the potential eastern extension of the Cathedrals Belt, with modelling and interpretation of FLEM SAMSON data in progress.

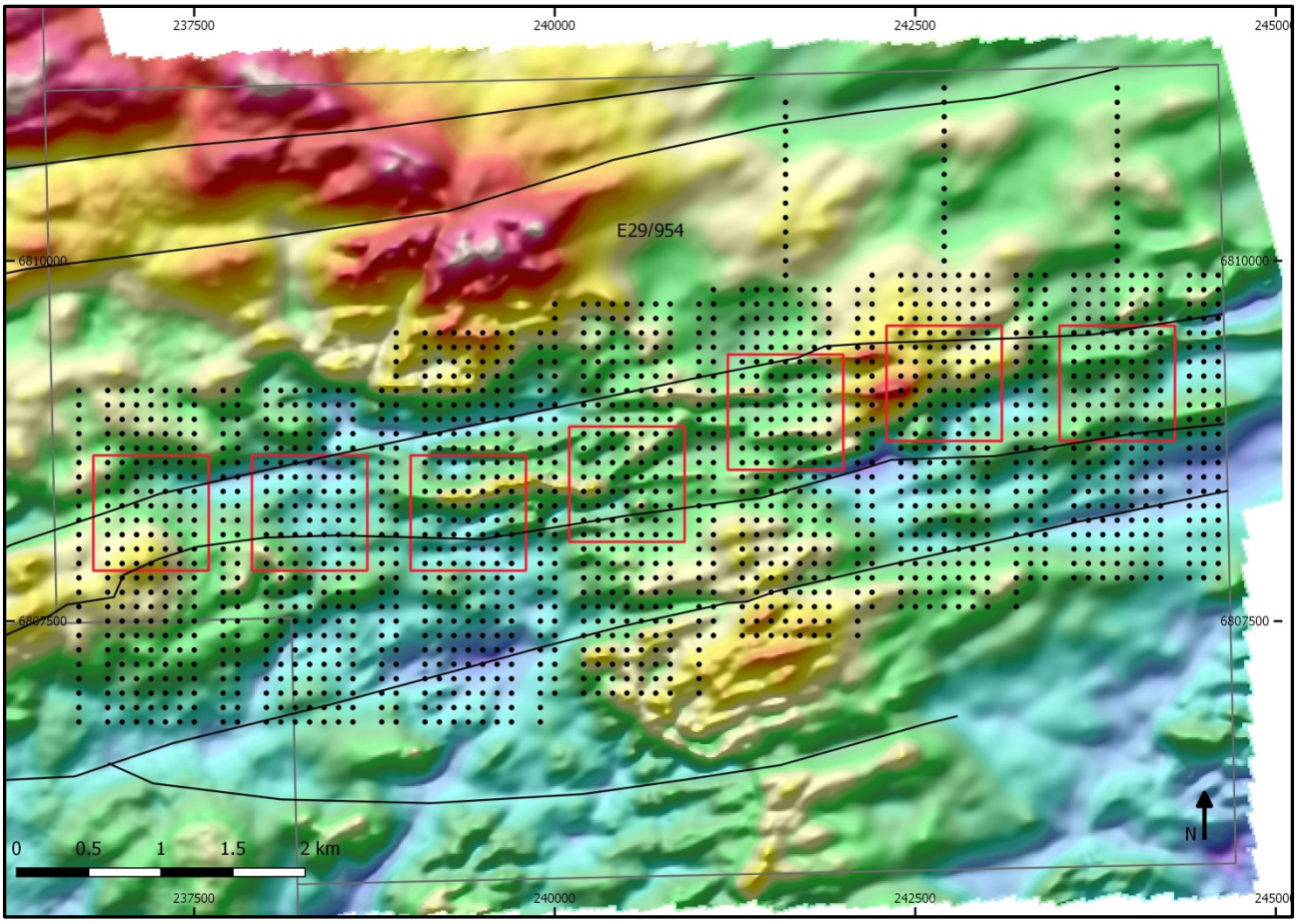

Figure 5 – a plan view of the eastern extension of the Cathedrals Belt (against TMI RTP magnetics) showing the planned EM loops (red) and north-south survey lines for the FLEM SAMSON survey over this section of the Belt.

Assays Confirm Further High Grade Nickel-Copper Sulphides

Laboratory assays were received in October 2016 in regard to the drill holes completed in St George's second drill programme at Mt Alexander. Sixteen drill holes were completed for 2,195.6m drilled, with assays confirming numerous significant intersections with high grades of nickel and copper as well as high values for cobalt and PGEs.

Details of significant intersections from this programme are contained in Table 1, which was also published in the Quarterly Activities Report for the quarter ending 30 September 2016.

A number of downhole EM (DHEM) anomalies were also identified by DHEM surveys in the completed drill holes. Interpretation and modelling of these DHEM anomalies is in progress with Newexco. The data for the DHEM anomalies is being reviewed together with the new FLEM SAMSON survey data to provide the best interpretation of all EM anomalies.

A further drilling programme is being designed to test new EM conductors, with drilling scheduled to commence in Q1 2017.

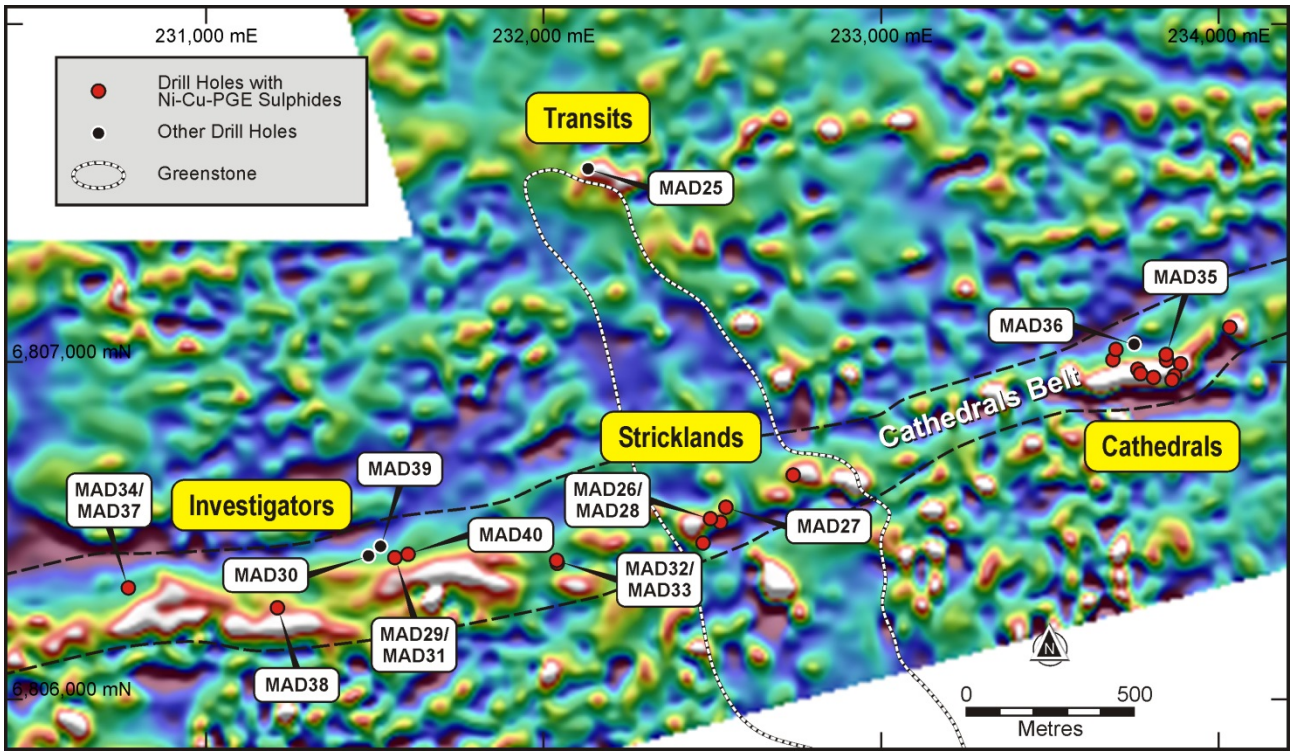

Figure 6 – a plan view of the Cathedrals Belt (over TMI magnetics) showing the drill hole collar locations in the second drill programme completed by St George at Mt Alexander. Further discoveries of nickel-copper sulphides were made at the Cathedrals and Stricklands Prospects, and new discoveries were made at the Investigators Prospect. Nickel-copper sulphides are recurrent over a 3.5km strike length.

ABOUT THE MT ALEXANDER PROJECT

The Mt Alexander Project is located 120km south-southwest of the Agnew-Wiluna belt which hosts numerous world class nickel deposits. The Project comprises four granted exploration licences – E29/638, E29/548, E29/962 and E29/954.

The Cathedrals, Stricklands and Investigators nickel-copper discoveries are located on E29/638, which is held in joint venture by Western Areas Limited (25%) and St George (75%). St George is the Manager of the Project with Western Areas retaining a 25% non-contributing interest in the Project (in regard to E29/638 only) until there is a decision to mine.

Hole ID	East	North	Dip	Azi	Depth (m)	From	To	Width	Ni (%)	Cu (%)	Co (%)	Total PGEs	Au g/t	Ag g/t
MAD26	232495	6806535	-60	75	105.1	49.3	52.25	2.95	0.55	0.37	0.03	0.57	0.07	1.82
						53.9	58.2	4.3	4.26	2.02	0.19	3.21	0.10	6.11
						58.2	61	2.8	0.48	0.40	0.02	0.56	0.06	2.25
MAD27	232540	6806570	-60	90	148	60.1	71.25	11.15	0.52	0.63	0.03	1.69	0.21	5.37
						71.25	73.25	2	4.17	3.11	0.21	3.35	0.19	9.25
MAD29	231560	6806420	-60	160	201.6	104	105	1	0.36	0.18	0.01	1.02	0.12	1.5
MAD31	231558	6806418	-63	133	160	108	111.67	3.67	0.56	0.28	0.02	1.22	0.16	1.98
						111.67	113.24	1.57	6.26	2.71	0.18	4.91	0.19	8.1
					Including	112.08	113.09	1.01	7.98	3.13	0.22	5.9	0.14	9.06
MAD32	232040	6806403	-73	220	92.7	44	51.6	7.6	0.44	0.19	0.02	0.59	0.03	0.88
						51.6	53.52	1.92	4.58	1.52	0.14	3.83	0.12	4.43
					Including	52.75	53.52	0.77	7.82	2.5	0.24	6.31	0.13	6.82
MAD33	232038	6806412	-57	330	129.7	87.45	96.48	9.03	0.43	0.14	0.02	0.44	0.03	1.08
						96.48	97.49	1.01	5.81	2.33	0.22	4.32	0.12	7.3
MAD34	230770	6806330	-70	25	152.5	94	96.1	2.1	0.52	0.25	0.02	0.57	0.07	2.04
						96.1	98.89	2.79	1.63	0.53	0.05	1.24	0.11	3.62
					Including	98.7	98.89	0.19	7.34	1.53	0.22	3.27	0.05	24
MAD35	233844	6807022	-60	180	95.4	61	64.19	3.19	0.57	0.22	0.02	0.54	0.08	1.28
						64.19	66.25	2.06	6.35	3.2	0.21	4.08	0.17	9.54
MAD36	233750	6807053	-57	176	219.8	150.1	152	1.9	0.55	0.3	0.02	0.75	0.09	1.71
						154	154.75	0.75	0.52	0.76	0.02	1.16	0.12	3.13
MAD37	230772.5	6806327	-84	335	156	110	122	12	0.41	0.13	0.02	0.35	0.04	1.22
						122	123.27	1.27	5.63	2.16	0.17	3.86	0.1	6.83
					Including	122.55	123.27	0.72	7.93	2.75	0.23	4.81	0.07	9
					and	123.27	123.6	0.33	0.81	0,69	0.03	2.33	0.14	2.5
MAD38	231206	6806249	-70	90	65.5	25.40	28.14	2.74	3.77	1.48	0.10	3.85	0.17	5.49
					Including	26.30	26.40	0.10	12.80	5.54	0.25	11.52	0.38	36.50
					and, including	27.60	28.14	0.54	8.59	3.43	0.24	6.73	0.14	10
MAD40	231575.5	6806427	-68	160	142.3	105.35	106.79	1.44	0.46	0.16	0.02	0.60	0.07	1.32
					and	106.79	108.75	1.96	5.09	2.11	0.16	3.46	0.39	6.04
					including	107.75	108.75	1.00	7.88	3.11	0.24	5.04	0.53	8

Table 1 - a list of significant intersections from the second drill programme completed by St George during July/August 2016 in the Cathedrals Belt. MAD28 was not assayed as it was a twin hole of MAD26. MAD30 and MAD39 did not intersect the target EM plates, and assays showed no significant intersections.

EAST LAVERTON – GOLD TARGETS

In November 2016, St George announced results from its 2016 gold drill programme that focused on the Ascalon and Bristol gold prospects at the East Laverton Project.

Ten RC drill holes for 2,000m of drilling were completed at Ascalon during Q3 2016. Assays, geological logging and petrography for this drilling confirmed a large and complex hydrothermal system at Ascalon that extends over a 2,000m of strike and remains open to the east, south and at depth.

The main rock types at Ascalon are dolerite intrusives, high MgO basalts and Fe-rich sediments. The dolerites are fractionated and contain granophyric units. Such granophyric dolerites host many major gold deposits in the Yilgarn, including the gold deposits on Kalgoorlie's Golden Mile.

Petrographic analysis of mineralised drill chips from the Ascalon drilling indicates the presence of shearing, mineralisation and intense carbonate alteration along with local quartz veining across all rock-types. This is a text book environment for gold mineralisation.

The most significant gold anomalism that has been intersected so far at Ascalon is associated with a structure termed the "JSPD684 structure", named after the first diamond drill hole that intersected it in 1991. Gold anomalism was also intersected by St George in ASCRC004, which is located along this trend and proximal to the intersection with the Ascalon Fault.

The intersection of the Minigwal Fault and the Ascalon Fault may be a local focal point for the concentration of gold mineralisation within the large Ascalon gold system. This target area is highlighted in Figure 7, and further drilling is being planned to test this priority area.

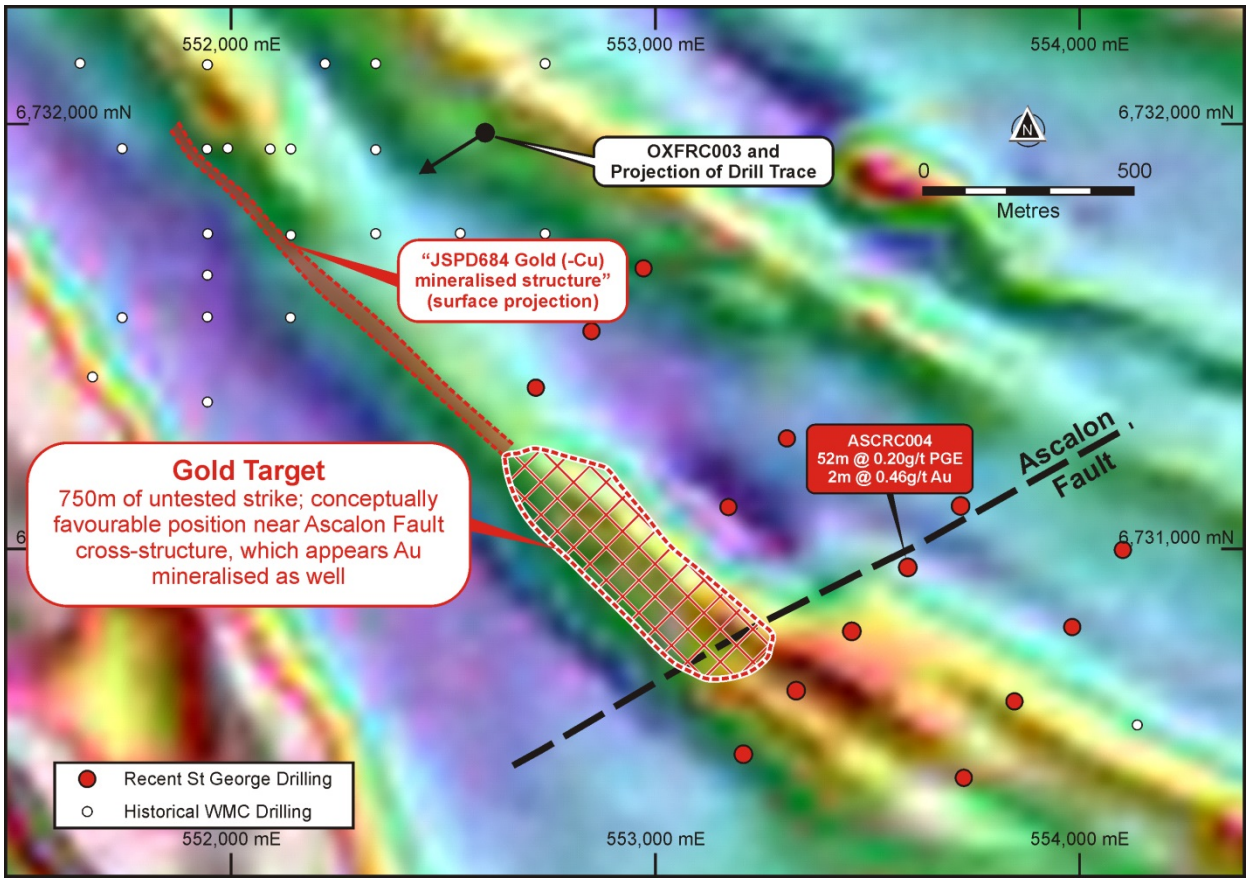

Figure 7 – the priority target area at Ascalon is focused on the structural intersection of the major N/NW Minigwal Fault with the E/NE Ascalon Fault

At Bristol, seventeen RC drill holes were completed in Q3 2016 for 1,580m of drilling. Eleven of the seventeen completed RC drill holes intersected anomalous gold in the regolith over a strike of 1,500m.

Figure 8 shows the location of the RC drill holes from the Bristol programme. The extensive supergene gold at Bristol may be from a proximal primary gold-bearing source. Interpretation of the results and generation of any further targets for testing is in progress.

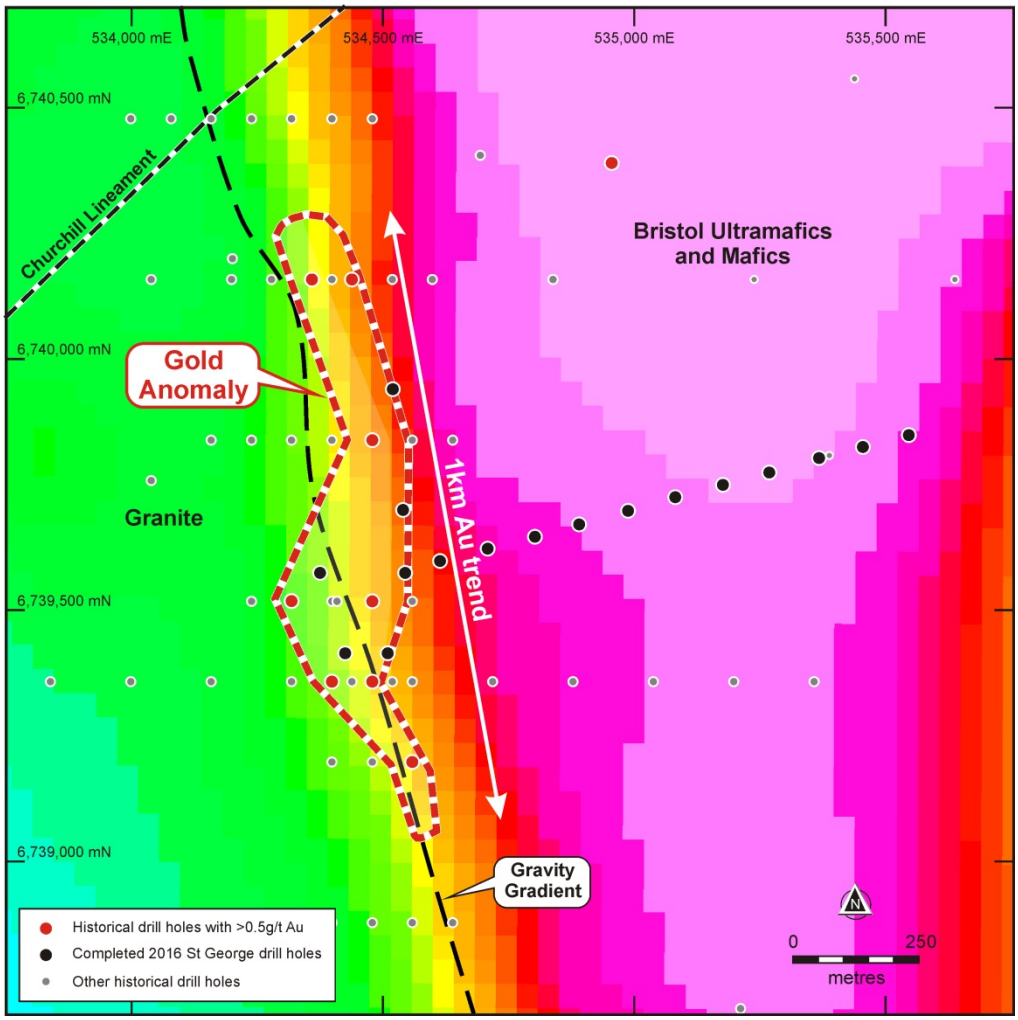

Figure 8 – the Bristol gold target (against RTP magnetics) with St George's completed drill holes shown. The gold anomalism occurs on a distinct magnetic (and gravity) gradient, a setting that is often associated with gold mineralisation.

TENEMENT INFORMATION

There were no changes to the Company's tenement holdings during the quarter except as outlined below.

East Laverton Project

St George Mining has 100% ownership of 26 granted Exploration Licences at the East Laverton Project. Exploration Licence E39/1565 was relinquished on 15 December 2016.

Lake Minigwal Project

St George Mining has 100% ownership of 3 granted Exploration Licences at the Lake Minigwal Project.

Mt Alexander Project

St George has 100% ownership of three granted Exploration Licences (E29/548, E29/962 and E29/954) and one application for Exploration Licence (E29/972) at Mt Alexander. A further granted Exploration Licence, E29/638, is held in joint venture between Western Areas (25%) and St George (75%).

Hawaii Project

St George has 100% ownership of two granted Exploration Licences at the Hawaii Project. Exploration Licence E36/851 was granted on 7 November 2016.

CORPORATE UPDATE

In October 2016, St George received a cash payment of $2,336,000 pursuant to the Federal Government's R&D Tax Incentive Scheme.

The Company's 2015/2016 financial year tax return was assessed to include research and development expenditure eligible for the cash rebate under the Scheme, which is administered jointly by AusIndustry and the Australian Taxation Office.

As at 31 December 2016, St George had cash reserves of $6.4m and remained well-funded to continue its exploration programmes at Mt Alexander and other projects.

COMPETENT PERSON STATEMENT:

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves regarding the East Laverton Project is based on information compiled by Mr Tim Hronsky, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Tim Hronsky is employed by Essential Risk Solutions Ltd which has been retained by St George Mining Limited to provide technical advice on mineral projects.

The information in this report that related to Exploration Targets, Exploration Results, Minerals Resources or Ore Reserves regarding the Mt Alexander Project is based on information complied by Mr Matthew McCarthy, a Competent Person who is a Member of The Australian Institute of Geoscientists. Mr McCarthy is employed by St George Mining Limited.

This ASX announcement contains information extracted from the following reports which are available on the Company's website at www.stgm.com.au:

- 25 May 2016 *Gold Drill Programme at East Laverton*
- 16 June 2016 *Assays Confirm High Grade Mineralisation at Mt Alexander*
- 29 June 2016 *Nickel-Copper Sulphide Discovery at Stricklands*
- 11 July 2016 *Drill Programme for Mt Alexander Project*
- 29 July 2016 *East Laverton Gold Drilling – Update*
- 1 August 2016 *Nickel-Copper Sulphides Discovered at Investigators*
- 8 August 2016 *Drilling Extends Nickel-Copper Sulphide Belt*
- 17 August 2016 *Further Nickel-Copper Sulphides at Cathedrals*
- 24 August 2016 *Gold Drilling Progresses at East Laverton*
- 30 August 2016 *More Massive Sulphide Mineralisation at Investigators*
- 22 September 2016 *Assays Confirm Significant Nickel-Copper Mineralisation*
- 27 September 2016 *Deep Search EM Survey for Mt Alexander*
- 12 October 2016 *High Grade Nickel-Copper Sulphides at Mt Alexander*
- 20 October 2016 *Strong Results Continue at Mt Alexander*
- 9 November 2016 *Deep Search EM Commences at Mt Alexander*
- 22 November 2016 *Compelling Survey Results at Mt Alexander*
- 25 November 2016 *Gold Drilling at East Laverton*
- 7 December 2016 *Further Nickel-Copper Sulphide Targets*
- 19 December 2016 *Mt Alexander – Exploration Update*

The Company confirms that it is not aware of any new information or data that materially affects the exploration results included in any original market announcements referred to in this report and that no material change in the results has occurred. 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 announcements.

TENEMENT INFORMATION AS REQUIRED BY LISTING RULE 5.3.3

Other than as detailed in the body of the Quarterly Activities Report and in the Table below, no tenements, in part or whole, were relinquished, surrendered or otherwise divested during the quarterly period ended 31 December 2016.

EAST LAVERTON/LAKE MINIGWAL:

Tenement ID	Registered Holder	Location	Ownership (%)	Change in Quarter
E39/0981	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/0982	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/0985	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1064	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1066	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1229	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1461	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1472	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1473	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1474	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1475	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1476	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1467	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1492	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1518	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1519	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1520	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1521	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1549	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1565	Desert Fox Resources Pty Ltd	East Laverton Property	0	Relinquished
E39/1572	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1608	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1666	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1667	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1722	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1779	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1852	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1677	St George Mining Limited	Lake Minigwal Project	100	N/A
E39/1678	St George Mining Limited	Lake Minigwal Project	100	N/A
E39/1877	St George Mining Limited	Lake Minigwal Project	100	N/A

MT ALEXANDER/HAWAII:

Tenement ID	Registered Holder	Location	Ownership (%)	Change in Quarter
E29/638	Blue Thunder Resources Pty Ltd	Mt Alexander	75	N/A
E29/548	Blue Thunder Resources Pty Ltd	Mt Alexander	100	N/A
E29/954	Blue Thunder Resources Pty Ltd	Mt Alexander	100	N/A
E29/962	Blue Thunder Resources Pty Ltd	Mt Alexander	100	N/A
ELA29/972	Blue Thunder Resources Pty Ltd	Mt Alexander	0	N/A
E36/741	Blue Thunder Resources Pty Ltd	Hawaii	100	N/A
E39/851	Blue Thunder Resources Pty Ltd	Hawaii	100	Granted

+Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

St George Mining Limited

ABN	**Quarter ended ("current quarter")**
21 139 308 973	31 December 2016

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(1,626)	(2,998)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(226)	(332)
	(e) administration and corporate costs	(130)	(279)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	24	27
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Research and development refunds	2,340	2,340
1.8	Other (provide details if material)	70	56
1.9	**Net cash from / (used in) operating activities**	**452**	**(1,186)**

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

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**-**	**-**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	-	6,475
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	-	(336)
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**	**-**	**6,139**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	5,938	1,437
4.2	Net cash from / (used in) operating activities (item 1.9 above)	452	(1,186)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	6,139
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**6,390**	**6,390**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	72	76
5.2	Call deposits	6,318	5,862
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)**	**6,390**	**5,938**

6.	Payments to directors of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	116
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

N/A

7.	Payments to related entities of the entity and their associates	Current quarter $A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

N/A

8.	**Financing facilities available** *Add notes as necessary for an understanding of the position*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

N/A

9.	**Estimated cash outflows for next quarter**	**$A'000**
9.1	Exploration and evaluation	768
9.2	Development	-
9.3	Production	-
9.4	Staff costs	146
9.5	Administration and corporate costs	102
9.6	Other (provide details if material)	-
9.7	**Total estimated cash outflows**	**1,016**

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	E39/1565, East Laverton	Exploration Licence	100%	0%
10.2	Interests in mining tenements and petroleum tenements acquired or increased	E36/851, Western Australia	Exploration Licence	0%	100%

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

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

Sign here: Sarah Shipway Date: 30 January 2017

Non-Executive Director/Company Secretary

Print name: Sarah Shipway

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.