



# Echo Resources Limited

ACN 108 513 113

28 April 2017

ASX Code: EAR

## Quarterly Activities Report

For the quarter to 31 March 2017

### Highlights

#### Echo and Metaliko Merger

- The merger with Metaliko Resources Limited was closed on 13 January 2017 with Echo having acquired a relevant interest of 94.88% in Metaliko. A compulsory acquisition notice was lodged with ASIC to acquire all remaining Metaliko shares which was completed on 24 February 2017
- Following completion of the transaction, Echo owns the 2Mtpa Bronzewing Gold Processing Hub, gold Mineral Resources (JORC 2004 and JORC 2012) in excess of 950,000 ounces<sup>1</sup>, and a highly prospective landholding of approximately 1,600 km<sup>2</sup> between the operating Jundee and Darlot gold mines.

#### 2017 Exploration Program Commenced

- Completion of Echo-Metaliko merger opened the door for an aggressive regional exploration program across Echo's dominant landholding in the highly prospective Yandal greenstone belt
- A comprehensive program commenced in February focused on a series of ready-to-drill targets encompassing brownfield and greenfield prospects across both the Bronzewing and Empire Districts
- Success from the program has been immediate with first results from the program released during the quarter from AC drilling at Orpheus, 8km south of Julius.

#### Julius Gold Deposit

- On 18 January 2017 Echo released a Bankable Feasibility Study (BFS) on the Julius gold deposit which delivered a conservative initial Ore Reserve of 868,089 @ 2.44 g/t Au for 63,965 recovered ounces at a C1 cash cost of A\$832 per oz and delivering an EBITDA of A\$41M<sup>2</sup>
- A number of clear advanced opportunities exist to extend the life of operations beyond the highly profitable low-cost and low-risk Stage 1 Julius Gold Reserve, significantly improving economics
- Total development capital of only A\$17.5M as a result of significant infrastructure already in place, including the 2Mtpa Bronzewing Mill, with an advisor appointed to progress debt financing discussions for a large portion of capital costs

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<sup>1</sup> See Appendix 1 for full details of Mineral Resource estimates

<sup>2</sup> Refer to ASX announcement dated 18 January 2017 for full results



## Corporate

- Echo raised A\$3.2 million during the quarter to fund the 2017 exploration program through the placement of 20 million fully paid shares to institutional and sophisticated investors at an issue price of A\$0.16 per share
- In line with its focus on the Yandal gold belt the Company divested the Anthill Gold Project
- Pursuant to the terms of the takeover offer for Metaliko Resources, Echo appointed Messers Robin Dean and Mark Hanlon as Non-Executive Directors of the Company
- Echo also strengthened its executive team with the appointed Mr Rod Johns as Chief Operating Officer
- A general meeting of shareholders was called by the Company and held on 21 April 2017 to consider the resolutions put forth in that notice. All resolutions passed on a show of hands.

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For further information about Echo please visit our website at [www.echoresources.com.au](http://www.echoresources.com.au)

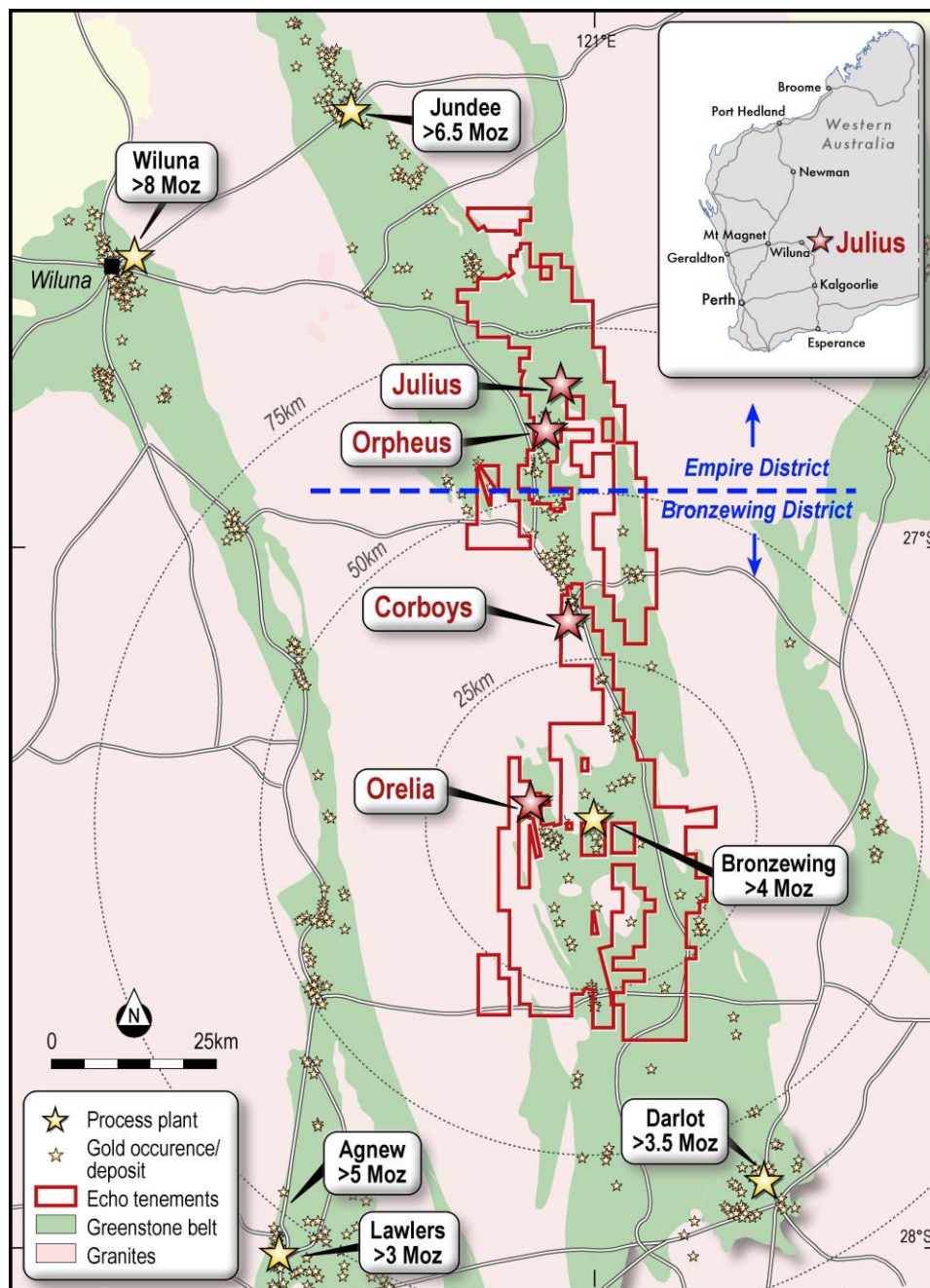


## Quarterly Activities Report

### Echo and Metaliko to Merge<sup>3</sup>

On 29 September 2016 Echo Resources Limited ("Echo") and Metaliko Resources Limited ('Metaliko') announced that they had entered into a Takeover Bid Implementation Agreement ('Agreement') to merge the two companies. Under the Agreement, Echo will acquire all of the issued shares of Metaliko by way of an off-market takeover offer ('Offer') whereby Metaliko shareholders will receive 1 new Echo share for every 2.5 Metaliko shares held.

On 3 January 2017, the Offer was declared unconditional before closing on 11 January 2017. The Company commenced compulsory acquisition on 13 January 2017 and Metaliko was delisted from the ASX on Friday 27 January 2017. A compulsory acquisition notice was lodged with ASIC to acquire all remaining Metaliko shares which was completed on 24 February 2017.



Echo Tenement Holdings and Key Gold Deposits

<sup>3</sup> For full details of the proposed merger please refer to ASX Announcements released on 29 September 2016 titled Echo Resources to acquire Metaliko Resources and Bid Implementation Agreement



The merger between Echo and Metaliko has resulted in a dominant landholding in the highly prospective Yandal Gold Belt, including the defined Julius Gold Deposit, as well as the Bronzewing Processing Hub.

## Operational Activities

### 2017 Exploration Program Commenced

Echo's exploration program is focussed on building Resources and Reserves across the Company's strategic Yandal landholding. Echo controls 1,600km<sup>2</sup> of the highly prospective Yandal greenstone belt in Western Australia with brownfields and greenfields targets in two distinct districts, both within trucking distance of the Bronzewing Processing Hub.

The Bronzewing District is an area within a 40km radius of the Bronzewing Processing Hub and contains the Orelia gold deposit, where current drilling is targeting known high grade mineralisation at the base of the existing open pit and is located only 8km from the processing hub.

The Empire District covers an area 40-80km north of the Bronzewing Processing Hub and contains the Julius gold deposit, which will provide a key plank in any production re-start following a positive Bankable Feasibility Study result in January 2017.

The current exploration program will take approximately four months to complete and will see around 22,000 meters of drilling conducted across targets in the Empire and Bronzewing Districts.

### Empire District Priorities:

#### i. Existing Deposits & Prospects Requiring Follow-up

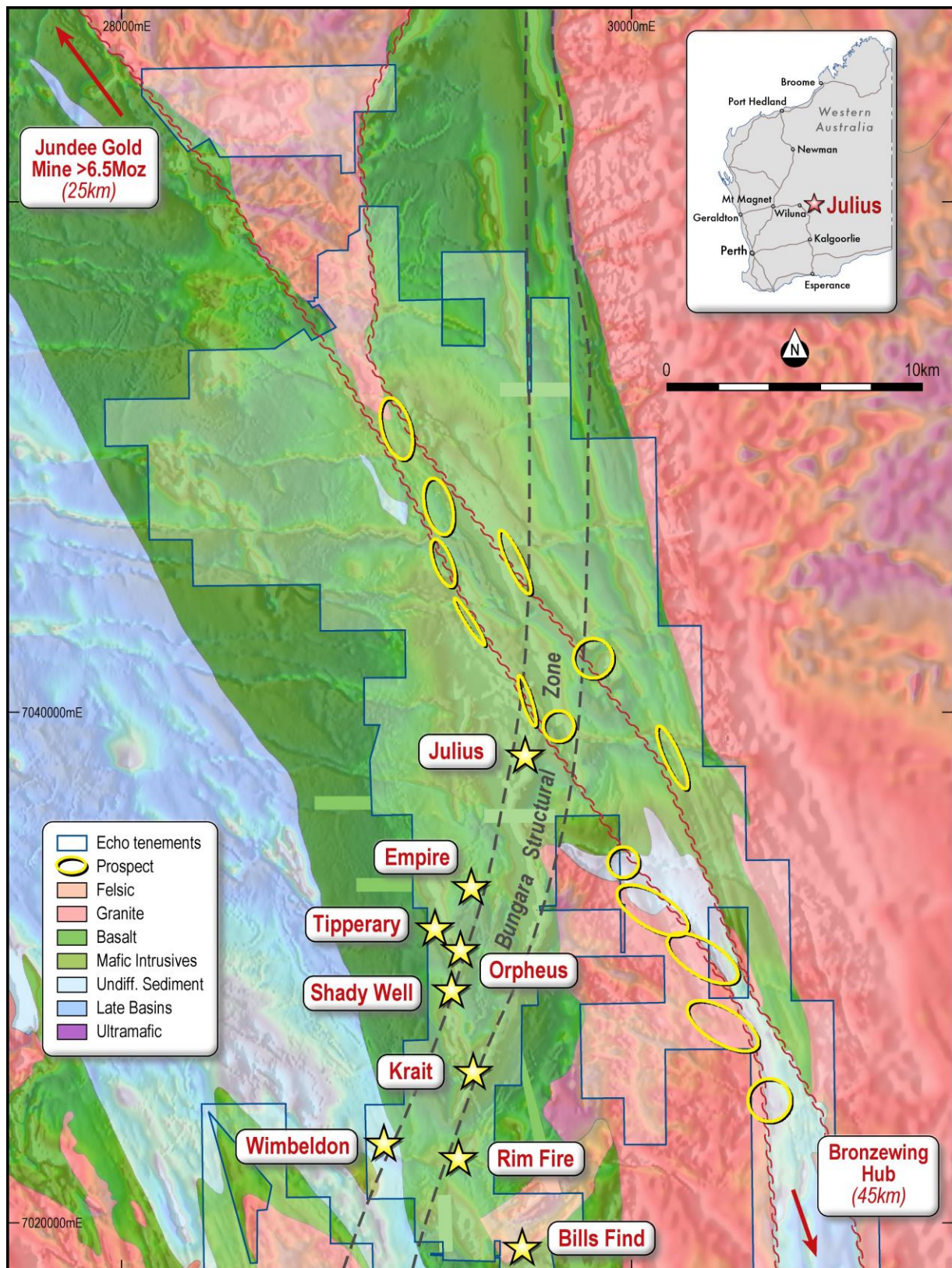
Located 30 kilometres south of Julius are a number of existing gold deposits and prospects (defined by Newmont before 2004) hosting high grade gold intersections that require follow up drilling to better assess likely economics and the extent of the deposits as well as understand the prospect for expansion. These known deposits have had very little or no work completed over the past 15 years and represent excellent potential to expand the Company's Resource and Reserve base.

In addition, Southern Geoscience Australia was commissioned in 2016 to complete a comprehensive review of all available geological datasets in the region. Review of Echo's 1,600km<sup>2</sup> tenure was then completed to highlight key areas prospective for discovery of the next million-ounce gold deposit with a total of 53 targets identified as sharing similar geological and geophysical characteristics to multi-million-ounce gold deposits in the district. Further review by Echo prioritised 14 targets with first-pass exploration now underway.

#### ii. Julius Resources & Reserve Extension

The Stage 1 Julius open pit, as documented within the BFS, has been based on the highest grade, lowest risk and most cost-effective start-up mining opportunity. Close review of the drill data and block model has shown that additional infill and resource development drilling, targeting along strike and in the high-grade areas of the resource down dip, may lead to an expansion of the contemplated mining operation at Julius. In addition, other areas to the north and on the margins of the Julius granite have potential for new gold discoveries and resource development opportunities.





Empire Historical Deposits & Prospects with Magnetics Underlay





## Bronzewing District Priorities



**RC Drill Rig In Progress within the existing Orelia Open-pit**

The key focus of drilling within the Bronzewing District is the Orelia gold deposit which includes three mineralised systems; Orelia, Calista and Cumberland and is located eight kilometres southwest of the Bronzewing Processing Hub.

Reverse circulation (RC) drilling has commenced in the Orelia pit however recent unseasonal wet weather has caused some delays. Visual review of the drill chips has revealed strongly sheared silica-rich dolerites and basalts with appreciable quantities of sulphides and minor quartz veining.



**Orelia Open Pit with Ongoing Drilling**

## Julius BFS Results<sup>4</sup>

### BFS Overview

Final details were compiled for the Julius BFS during the quarter with the BFS released on 18<sup>th</sup> January 2017. The BFS was prepared on the 335,000 ounce (5.2Mt @ 2.0g/t Au)<sup>5</sup> Julius Gold Deposit located 80 kilometres north of the Echo-owned 2Mtpa Bronzewing Processing Hub in the Yandal greenstone belt, Western Australia.

<sup>4</sup> Refer to ASX Announcement dated 18 January 2018 for full results.

<sup>5</sup> As announced to the ASX on 23 November 2016, see Qualifications, Competent Persons Statements and Global Resources Table



The BFS confirmed the 2Mtpa Bronzewing Processing Hub, acquired by Echo under the recently completed merger with Metaliko, can be refurbished for A\$12.5M and highlighted Julius as an economic, low-risk deposit and ideal first-feed as part of a long life Yandal gold mining operation.

### Key BFS Outcomes

A gold price of A\$1,600 per ounce was used for pit optimisations and key commercial results are presented in the table below. The full BFS Executive Summary is available in the ASX release on 18 January 2017.

	Base Case <sup>2</sup>
Gold Price (A\$1:US\$0.75)	\$1,600/oz (US\$1,200/oz)
Reserves Mined <sup>1</sup>	868,089t @ 2.44g/t
Initial Life of Mine (LOM)	<2 years
LOM Strip Ratio	5:1
LOM Gold Production <sup>1</sup>	63,965oz
Mill Refurb Capital Cost <sup>3</sup>	\$12.5M
Julius Development Capital Cost <sup>3</sup>	\$2.6M
First Fill, Owners Costs & Contingency	\$2.4M
LOM Revenue	\$102 million
C1 Cash Cost <sup>4</sup>	\$832/oz
All-in Sustaining Costs incl. Full Mill Refurbishment <sup>5</sup>	A\$1,186/oz
Internal Rate of Return	117%
LOM EBITDA	\$41 million

**Table 1: Key Project Economics**

Notes 1: The Ore Reserves underpinning the above production target have been prepared by a Competent Person or Persons in accordance with the requirements of the JORC (2012) Code. Refer to JORC tables, Qualifications and Competent Persons Statements. Recoveries through the Bronzewing Processing Hub are assumed to be 94%

2: See Appendix for Forward Looking and Cautionary Statements

3: See Appendix for Forward Looking and Cautionary Statements, ±10%, includes \$2.5M contingency

4: C1 Cash Cost includes mining and processing operating costs, site administration costs, transport, refining charges

5: AISC = C1 cash cost, depreciation and amortisation (Bronzewing Refurbishment), corporate, royalties, sustaining capital costs.

Importantly, the Julius Stage 1 BFS assumed the full cost the mill refurbishment (A\$12.5M) which is amortised over the initial life of 1.5 years, however any extensions to the life of operations may greatly reduce this AISC (of the AISC of A\$1,186, amortisation of capital costs presently account for A\$274 per ounce).

### Moving Forward

Results of the Julius Stage 1 BFS confirms Julius is an ideal, low-risk start-up mining operation, with very significant potential for improvements to economics through increases in mine life. Significant upside remains through the optimisation of mine scheduling at the Project and the Company has planned a large 2017 exploration and development program on its Yandal tenements to grow existing resources and reserves prior to a final commitment to refurbish the Bronzewing Processing Hub.



## BFS Highlights Substantial Upside

The BFS highlighted the following areas which provide likely Project upside:

- Potential to improve project economics by saving in operating cost and schedule timing.
- An operational mill in the region provides strategic value for Echo providing a processing route for other Echo resources in the district with leverage for Echo in the development of those assets.
- Bronzewing mill capacity is only at 50% for the project life, providing opportunity for toll milling which will have the twofold effect of spreading fixed costs thus lowering Julius production cost and generating revenue from milling fees.
- Review of the Julius resource model vs the mining model giving consideration to cut and uncut grades suggests that with careful grade control and mining practices there is potentially an additional 10,000 ounces of gold which may be realised, above the forecast LOM gold production.
- Various low grade stockpiles exist on project tenements that may provide further economic mill feed.
- Production from Julius alone is sufficient to repay the capital of the refurbishment and restart of an operating mill, creating opportunity for reassessment of the various historic mines on the tenements under current gold price and operating cost regimes. A number of advanced resources lie within a 15 kilometre radius of the Bronzewing plant and these will be closely reviewed.

## Corporate

Echo announced the appointment of Mr Mark Hanlon and Mr Robin Dean as Directors of the Company effective 3 January 2017.

Mr Hanlon has over ten years of experience in the resources and resource services sector as well as over ten years experience in commercial and merchant banking. He has a broad background of senior executive experience across a wide range of industries including mining, mining services, electricity distribution, electronics contract manufacturing, paper & packaging and insurance. He has most recently been the Finance Director of ENK plc and previously held the position or equivalent position of CFO with listed companies such as Century Drilling and International Contract Manufacturing Limited. Mr Hanlon is currently a non-executive Director of Red River Resources Limited, Copper Strike Limited and Jacana Minerals Limited. He holds a Bachelor of Business in Finance and Accounting and a Master of Business in Banking and Finance.

Mr Dean holds a Bachelor of Economics degree from the University of Western Australia he has had over 30 years' experience in banking, project finance and commodity hedging. Mr Dean has been CEO of a number of Public Companies including St Barbara Mines Limited and been instrumental in the funding and development of numerous significant mining projects throughout Australia and is currently a director of Metaliko Resources Limited and Intermin Resources Limited.

The Company advised on 27 January 2017 that it had raised A\$3.2 million to underpin the 2017 exploration campaign designed to increase gold Resources and Reserves across its substantial tenement portfolio in the Yandal gold belt of Western Australia.

The placement of 20 million fully paid shares was made to institutional and sophisticated investors at an issue price of \$0.16 per share ('Placement'). The issue price represents a modest 6% discount to the last traded price of Echo shares. The Placement is being undertaken within the Company's existing capacity to issue new securities under ASX Listing Rule 7.1 and is not subject to shareholder approval. BW Equities acted as the Lead Manager and bookrunner to the Placement.

The Company also divested a non-core tenement package in line with its focus on the Yandal gold belt.

A meeting of shareholders was held subsequent to the quarter. All resolutions put forward at that meeting were passed on a show of hands.



## Appendix 1 – Mineral Resource Estimates as at 31 March 2017

### Echo Mineral Resource Estimates<sup>7</sup>

Echo Mineral Resources	Measured			Indicated			Inferred			Total			Ownership	Cut-off
	Tonnes (Mt)	Au g/t	Au oz	Tonnes (Mt)	Au g/t	Au oz	Tonnes (Mt)	Au g/t	Au oz	Tonnes (Mt)	Au g/t	Au oz		
Julius <sup>4</sup>	1.8	2.1	124,227	1.6	1.3	67,789	1.8	2.5	142,991	5.2	2.0	335,008	100%	0.8
Regional <sup>5</sup>							2.1	1.5	99,925	2.1	1.5	99,925	100%	0.5
Corboys <sup>3</sup>				1.7	1.8	96,992	0.5	1.9	28,739	2.1	1.8	125,455	100%	1.0
Orelia (MKO) <sup>2</sup>				2.3	2.4	175,306	3.3	1.6	173,493	5.6	1.9	348,880	100%	0.9
Woorana North (MKO) <sup>2</sup>				0.3	1.7	13,811				0.3	1.7	13,811	100%	0.5
Woorana South (MKO) <sup>2</sup>				0.1	2.6	3,129				0.1	2.6	3,129	100%	0.5
Fat Lady (MKO) <sup>1,2</sup>				0.7	0.9	19,669				0.7	0.9	19,669	70%	0.5
Mt Joel 4800N (MKO) <sup>1,2</sup>				0.2	1.7	10,643				0.2	1.7	10,643	70%	0.5
<b>Total Mineral Resources</b>	<b>1.8</b>	<b>2.1</b>	<b>124,227</b>	<b>6.7</b>	<b>1.8</b>	<b>387,339</b>	<b>7.7</b>	<b>1.5</b>	<b>445,47</b>	<b>16.2</b>	<b>1.8</b>	<b>956,520</b>		

### Echo Mineral Reserve Estimates

Echo Mineral Reserves	Proved			Probable			Total			Ownership	Cut-off
	Tonnes (Mt)	Au g/t	Au oz	Tonnes (Mt)	Au g/t	Au oz	Tonnes (Mt)	Au g/t	Au oz		
Julius <sup>6</sup>	0.78	2.5	62,500	0.08	2.0	5,600	0.87	2.4	68,100	100%	0.8
<b>Total Mineral Resources</b>	<b>0.78</b>	<b>2.5</b>	<b>62,500</b>	<b>0.08</b>	<b>2.0</b>	<b>5,600</b>	<b>0.87</b>	<b>2.4</b>	<b>68,100</b>		

**Notes:**

1. Resources are adjusted for Metaliko 70% ownership interest

2. Resources estimated by Coxrocks (refer to Competent Persons Statements) in accordance with JORC Code 2012. For full Mineral Resource estimate details refer to the Metaliko Resources Limited announcement to ASX on 1 September 2016. Metaliko is not aware of any new information or data that materially affects the information included the previous announcement, and all material assumptions and technical parameters underpinning mineral resource estimates in the previous announcement continue to apply and have not materially changed.

3. Resources estimated by HGS (refer to Competent Persons Statements) in accordance with JORC Code 2012, for full details of the Mineral Resource estimate refer to the Metaliko Resources Limited announcement to ASX on 23 August 2016. Metaliko is not aware of any new information or data that materially affects the information included the previous announcement, and all material assumptions and technical parameters underpinning mineral resource estimates in the previous announcement continue to apply and have not materially changed.

4. Resources estimated by Mr Lynn Widenbar (refer to Competent Persons Statements) in accordance with JORC Code 2012, for full details of the Mineral Resource estimate refer to the Echo Resources Limited announcement to ASX on 23 November 2016. Echo Resources Limited is not aware of any new information or data that materially affects the information included the previous announcement, and all material assumptions and technical parameters underpinning mineral resource estimates in the previous announcement continue to apply and have not materially changed.

5. Resource estimates include Bills Find, Shady Well, Orpheus, Empire & Tipperary Well and were estimated by Golders (refer to Competent Persons Statements) in accordance with JORC Code 2004, for full details of the Mineral Resource estimates refer to the Echo Resources Limited prospectus released to ASX on 10 April 2006.

6. Reserve estimated by Mr Gary McRae (refer to Competent Persons Statements) in accordance with JORC Code 2012.

7. Mineral Resources are inclusive of Ore Reserves.

## APPENDIX 2 – CAUTIONARY STATEMENTS AND DISCLAIMERS

### Forward Looking Statements and Disclaimers

This announcement is for information purposes only and does not constitute a prospectus or prospectus equivalent document. It is not intended to and does not constitute, or form part of, an offer, invitation or the solicitation of an offer to purchase or otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, nor shall there be any offer, sale, issuance or transfer of securities in any jurisdiction in contravention of any applicable law.

This announcement contains forward looking statements. Forward looking statements are often, but not always, identified by the use of words such as "seek", "target", "anticipate", "forecast", "believe", "plan", "estimate", "expect" and "intend" and statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other similar expressions. The forward looking statements in this announcement are based on current expectations, estimates, forecasts and projections about Echo and Metaliko and the industry they operate in. They do, however, relate to future matters subject to various inherent risks and uncertainties. Actual events or results may differ materially from events or results expressed or implied by any forward looking statements. Past performance of Echo or Metaliko is no guarantee of future performance.

None of Echo, Metaliko or any of their directors, officers, employees, agents or contractors makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward looking statement. The forward looking statements in this announcement reflect views held only as at the date of this announcement.

### No New Information or Data

This report contains references to Mineral Resource estimates, which have been cross referenced to previous market announcements made by Echo and Metaliko. Echo and Metaliko confirm they are not aware of any new information or data that materially affects the information included in the relevant market announcements and, in the case of estimates of Mineral Resources and project study results (i.e. the Julius BFS referred to in this document and released to ASX on 18 January 2017), all material assumptions and technical parameters underpinning the estimates or results in the relevant market announcement continue to apply and have not materially changed.

### Competent Persons Statements

The information in this report relating to Echo's exploration activities and exploration potential at Julius and Metaliko's Cockburn, Woorana North, Woorana South, Fat Lady and Mt Joel Mineral Resource estimates is based on information compiled by Mr Simon Coxhell, a Director of Echo Resources Limited, who is a member of the Australasian Institute of Mining and Metallurgy. He has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that 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 Coxhell 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 this report relating to Echo's Regional Mineral Resource estimates is based on information compiled by Stephen Godfrey, a full-time employee of the independent geological consulting group Golder Associates Pty Ltd. He has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Godfrey 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 this report relating to Metaliko's Corboys Deposit Mineral Resource estimate is based on information compiled by Andrew James Hawker, a Competent Person who is a Member or Fellow of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Hawker is the Principle Geologist employed by HGS Australia. He has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that 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 Godfrey 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 this report relating to the Julius Gold Deposit Mineral Resource estimation is based on information compiled by Mr Steve Hyland, a consultant of Echo Resources Limited, who is a member of the Australasian Institute of Mining and Metallurgy. Mr Hyland has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that 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 Hyland consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

### APPENDIX 3 – TENEMENT HOLDINGS AS AT 31 MARCH 2017

Tenement ID	Status	Ownership at Quarter End	Interest Acquired During the Quarter	Interest Disposed During the Quarter
M53/1099	Granted	100%	-	-
E53/1830	Granted	100%	100%	-
M53/183	Granted	100%	-	-
M53/186	Granted	100%	-	-
E36/810	Granted	100%	-	-
E53/1430	Granted	100%	-	-
M53/631	Granted	100%	-	-
M53/1080	Granted	100%	-	-
M53/144	Granted	100%	-	-
M53/145	Granted	100%	-	-
L53/59	Granted	100%	-	-
E36/715	Granted	100%	-	-
M53/721	Granted	100%	-	-
E53/1324	Granted	100%	-	-
M53/170	Granted	100%	-	-
E53/1586	Granted	100%	-	-
M53/379	Granted	100%	-	-
E36/667	Granted	100%	-	-
M53/160	Granted	100%	-	-
M53/434	Granted	100%	-	-
M53/555	Granted	100%	-	-
E53/1405	Granted	100%	-	-
E53/1546	Granted	100%	-	-
M53/149	Granted	100%	-	-
M53/220	Granted	100%	-	-
E53/1736	Granted	100%	-	-
P53/1515	Granted	100%	-	-
E36/826	Granted	100%	-	-
E53/1042	Granted	100%	-	-
E53/1472	Granted	100%	-	-
L53/203	Granted	100%	-	-
L53/57	Granted	100%	-	-
L53/204	Granted	100%	-	-
EPM14909	Granted	100%	-	-
EPM17077	Renewal	100%	-	-



## 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

Echo Resources Ltd

### ABN

34 108 513 113

### Quarter ended ("current quarter")

31 March 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (nine months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(241)	(1,531)
(b) development	-	(486)
(c) production	-	-
(d) staff costs	(133)	(262)
(e) administration and corporate costs	(431)	(931)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	11
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (Net GST to be Recouped)	(82)	(302)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(884)</b>	<b>(3,501)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	(183)
(c) investments	-	-
(d) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (nine months) \$A'000</b>
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	(200)	(202)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(200)</b>	<b>(385)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	3,200	3,240
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	(159)	(159)
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>3,041</b>	<b>3,081</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	683	3,445
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(884)	(3,501)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(200)	(385)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,041	3,081
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>2,640</b>	<b>2,640</b>

5. <b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1    Bank balances	2,640	683
5.2    Call deposits	-	-
5.3    Bank overdrafts	-	-
5.4    Other (provide details)	-	-
<b>5.5    Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,640</b>	<b>2,640</b>

**6.    Payments to directors of the entity and their associates**

- 6.1    Aggregate amount of payments to these parties included in item 1.2
- 6.2    Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3    Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
(76)
-

Payments made for Directors Fees

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

- 7.1    Aggregate amount of payments to these parties included in item 1.2
- 7.2    Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3    Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
(200)

Payments made to subsidiary



8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	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.		

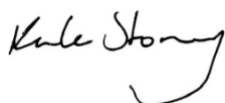
N/A

9. <b>Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	800
9.2 Development	300
9.5 Administration and corporate costs	200
<b>9.7 Total estimated cash outflows</b>	<b>1,300</b>

10. <b>Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased	E53/1099	Tenement Granted 16/2/17	0%	100%

### Compliance statement

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



Sign here:

(Company secretary)

Date: 28 April 2017

Print name: Kate Stoney

**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.