

26/07/2017

ASX Limited
Company Announcements Office
SYDNEY NSW 2000

QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDING JUNE 30TH 2017

HIGHLIGHTS

- *Assessment of potential gold and base metal projects in the goldfields of Western Australia is continuing.*
- *Exploration soil sample and rock chip program is planned for tenement E28/2571 (within 3km of the Kurnalpi townsite)*
- *Spatial and data analysis work has identified several areas of geological and structural interest on the tenement worthy of detailed mapping and sampling.*
- *Historical records of geochemical sampling in this tenement area showed at least 4 gold anomalies exceeding 10ppb Au in soils.*

DETAILS

KURNALPI PROJECT, WA

The Kurnalpi area east of Kalgoorlie in the Eastern Goldfields of WA has been assessed by the company geologist and potential projects are being investigated. The Company has been granted tenement E28/2571 situated approximately 80 kilometres northeast of Kalgoorlie.

Tenement E28/2571 is located on the Kurnalpi SH51-10 1:250,000 scale Geology Map Sheet and on the Mulgabbie 1:100,000 scale Geology Map Sheet within the Kurnalpi Greenstone Terrane. The solid geology of the area is dominated by a greenstone belt containing mafic and ultramafic rocks adjacent to a granite basement. The tenement is adjacent to numerous historical mines at Kurnalpi and Federal Maori which are known to have been gold producers within the Kurnalpi greenstone belt. See Figure 1 below for location of the tenement area.

The Kurnalpi greenstone belt is host to many small historical gold mines mainly occurring within the mafic volcanics and within shear zones or faults and contacts. The gold often occurs in brittle fracture-generated quartz veins that are related to movements along the major structures. Tenement E28/2571 contains several shear and fault structures through the mafics and along the mafic/ultramafic boundaries. These are all potential pathways for hydrothermal fluids and would be an ideal structural setting for gold mineralisation. Analysis of geological, geophysical and satellite image trends has shown that there are significant anomalies worth exploring.

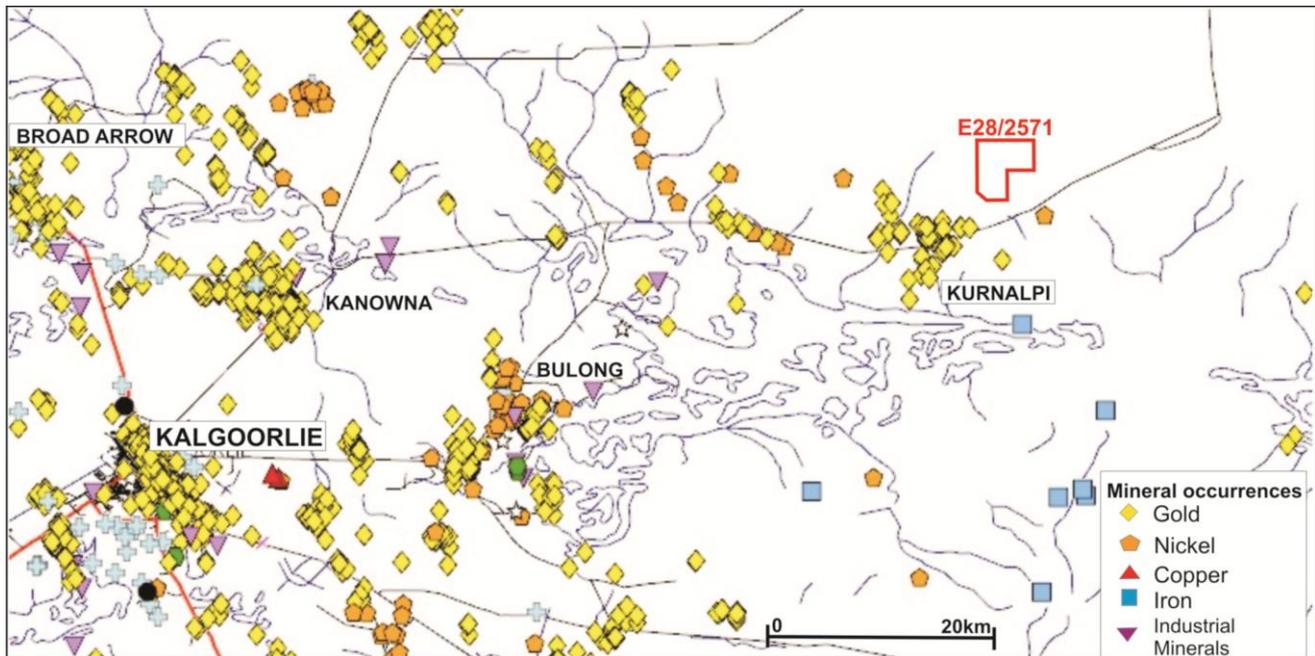


Figure 1: Location of Kurnalpi tenement E28/2571

A review of the interpretations and exploration targets is currently being undertaken for this tenement. There are several linear and spot anomalies worthy of follow up. Previous data from the WAMEX report number A098422 by Kalnorth Gold Mines Ltd (Combined Annual Report C101/2011 for Kurnalpi ending April 13 2013) shows that a regional auger soil geochemistry program was conducted over this tenement. Although these were shallow surface samples only (less than 3m deep) and widely spaced (400m x 400m) the gold values do indicate low order anomalies and areas of interest. When plotted, the results show that some significant areas of above 5ppb Au can be contoured. Some of these geochemical anomalies correlate with our previously interpreted structural targets and therefore confirm their status as exploration targets. Figure 2 is a plot of the Kalnorth sample results on the GSWA 1:500,000 scale solid geology map. The parts per billion gold values have been contoured and at least 4 anomalies have been identified for follow-up exploration.

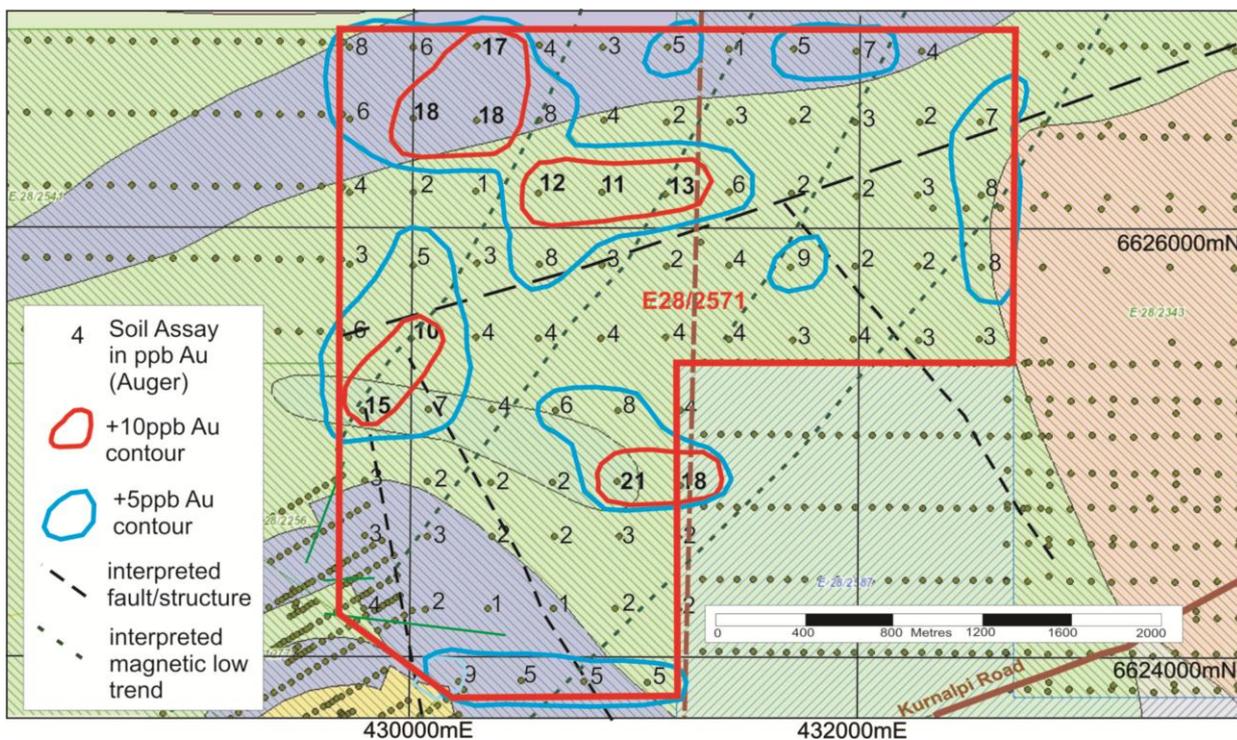


Figure 2: Plot of Soil Geochemistry Contours (ppb gold) from WAMEX data (Kalnorth 2013) (Base map is GSWA data from GeoView showing 1:500,000 scale solid geology and geochemistry sample locations)

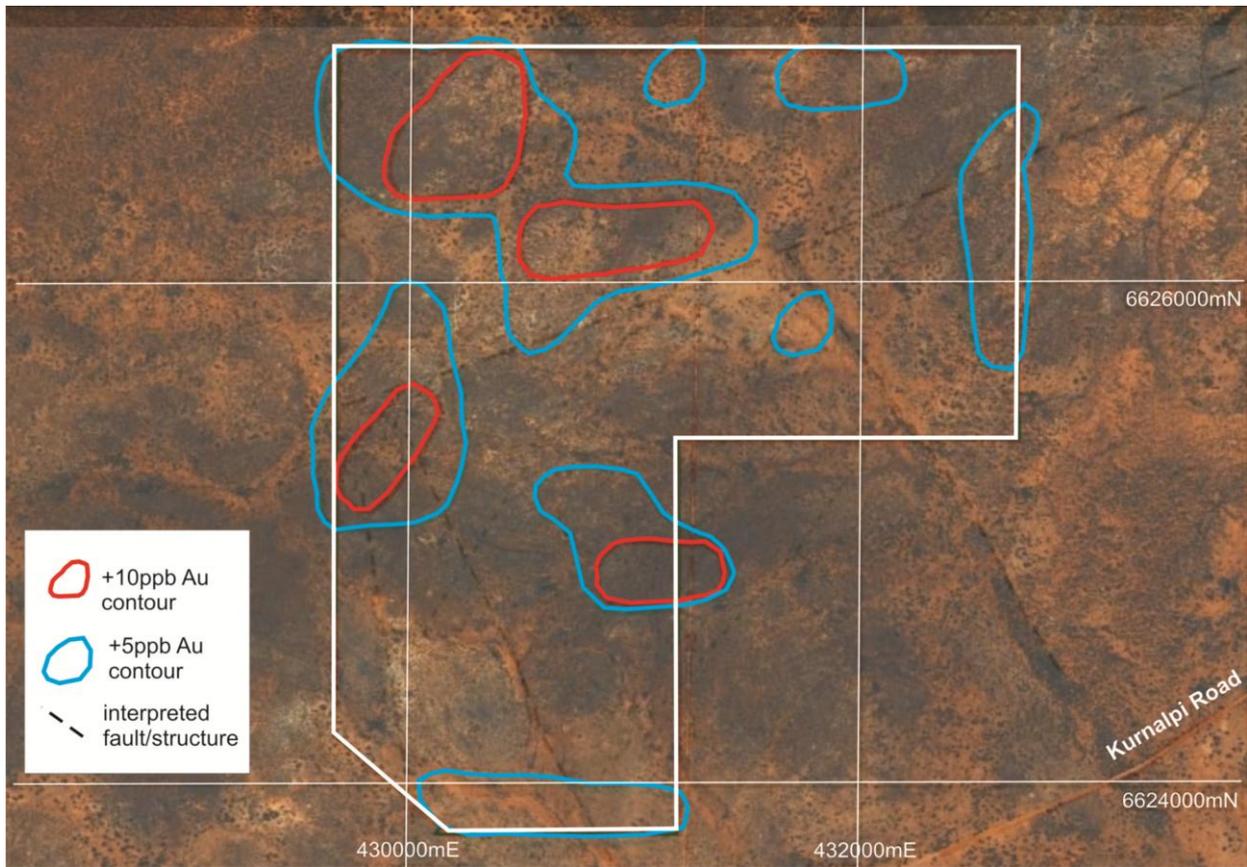


Figure 3: Soil anomalies plotted on satellite image of E28/2571

Exploration efforts will be concentrated on the soil anomalies and in particular, where these coincide with previously identified structure-based exploration targets.

It is therefore proposed to conduct several traverses for soil and rock sampling to be completed in conjunction with geological mapping. These traverses would cross the interpreted anomalies as well as rock unit and structural boundaries. If sampling is conducted every 100m on these lines it will provide a geochemical picture as well as a geological one and lead to a better defined orientation and area of potential mineralisation. This would then form the basis of identifying areas for drill testing.

Tenement Information as Required by Listing Rule 5.3.3 For the Quarter Ended 30 June 2017

Project	Location	Tenements	Economic Interest	Notes	Change in Quarter %
Western Australia	Kurnalpi	EL28/2571	100% Granted		0

Mick Stroud
Executive Chairman
26/7/2017

Competent Person Statement – Exploration Results

The information in this statement that relates to Exploration Results is based on information compiled by independent consulting geologist Brian Davis who is a Member of The Australian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Davis is employed by Geologica Pty Ltd and has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which is undertaken 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 Davis consents to the inclusion in the report of the matters based on the information made available to him, in the form and context in which it appears”.

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, 01/05/2013

Name of entity

Wavenet International Limited

ABN

50 087 139 428

Quarter ended ("current quarter")

30 June 2017

Consolidated statement of cash flows

Cash flows related to operating activities		Current Quarter \$A'000	Full Year \$A'000
1.1	Receipts from product sales and related debtors	17	166
1.2	Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(1) - - (55)	(6) - - (144)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	-
1.5	Interest and other costs of finance paid	(13)	(46)
1.6	Income taxes paid	(46)	(159)
1.7	Other (provide details if material)	-	-
	Net Operating Cash Flows	(98)	(189)
Cash flows related to investing activities			
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	67	145
1.12	Other (provide details if material)	-	-
	Net investing cash flows	67	145
1.13	Total operating and investing cash flows (carried forward)	(31)	(44)

1.13	Total operating and investing cash flows (brought forward)	(31)	(44)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	-
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 (provide details if material)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(31)	(45)
1.20	Cash at beginning of quarter/year to date	-	14
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	(31)	(31)

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

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	0
1.24	Aggregate amount of loans to the parties included in item 1.10 and 1.11	0

1.25 Explanation necessary for an understanding of the transactions

The amount shown at 1.23 represents payments to directors for remuneration
The amounts shown at 1.10 (\$0) and 1.11 (\$145,000) represent loan funds advanced to and loan funds repaid from Old Valley Unit Trust

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

This quarter - None

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

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	720	720
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	10
4.2 Development	0
4.3 Production	0
4.4 Administration	45
Total	55

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 \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1	-
5.2 Deposits at call	-	-
5.3 Bank overdraft	(32)	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	(31)	-

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	None		
6.2	Interests in mining tenements and petroleum tenements acquired or increased	None		

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 (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference +securities (description)	N/A		
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	N/A		
7.3	+Ordinary securities	110,955,320	110,955,320	Fully Paid
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	N/A		
7.5	+Convertible debt securities (description)	N/A		

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	N/A			
7.7	Options (description and conversion factor)	N/A			
7.8	Issued during quarter	-			
7.9	Exercised during quarter	-			
7.10	Expired during quarter	-			
7.11	Debentures (totals only)	-			
7.12	Unsecured notes (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 5).

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

Sign here:

Date: 26/7/2017

(Director,

Print name: Edward Stroud

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 and petroleum 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 or petroleum 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.

4 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.

5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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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