



## KORE POTASH – REVIEW OF OPERATIONS FOR THE QUARTER ENDED 30 JUNE 2017

**Perth, Australia – 31 July 2017 – Kore Potash Ltd.** (ASX: K2P). ("Kore Potash" or "the Company") is pleased to provide the following quarterly update, for the period to 30 June 2017 (the "Quarter") on its corporate activities and activities at its Sintoukola Potash Project ("SP") located in the Republic of Congo ("RoC").

### HIGHLIGHTS

- Successfully closed a US\$5 m equity raising in April 2017, with Summit Investments PCC, at A\$0.25 per share, a 56% premium to the then share price and a 25% increase on the previous fund raising.
- Kola DFS progressing on time and on budget. The progress for the first three months, as announced in June 2017, being 7.1% complete and having already identified approximately US\$100 m of potential capital expenditure savings<sup>1</sup>
- Updated Kola Mineral Resource Estimate announced in July 2017<sup>2</sup>. Combined Measured and Indicated Mineral Resource for Sylvinitite<sup>3</sup> is 508 Mt grading 35.4% KCl, a grade increase of 7% over the previous estimate
- Mining Licence granted in May 2017 for Dougou, covering Dougou and Dougou Extension<sup>4</sup>
- Mining Convention signed by the Government covering Kola, Dougou and Dougou Extension<sup>5</sup>. The Mining Convention will be submitted to the Supreme Court for the process of ratification into law. The Company expects to secure ratification during Q4 2017
- Gavin Chamberlain to be appointed as Chief Operating Officer
- John Crews appointed as Chief Financial Officer
- Drilling at the Dougou Extension Prospect is progressing on track. Findings expected to be announced in due course

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<sup>1</sup> Announcement dated 20 June 2017: Quarterly update on the Kola Definitive Feasibility Study

<sup>2</sup> Announcement dated 6 July 2017: Updated Mineral Resource for the High Grade Kola Deposit

<sup>3</sup> Sylvinitite: a rock comprising predominantly of the potash mineral sylvite (KCl) and halite (NaCl).

<sup>4</sup> Announcement dated 18 May 2017 Dougou & Dougou Extension Mining Licence granted

<sup>5</sup> Announcement dated 16 June 2017: Signing of Mining Convention encompassing Kola, Dougou & Dougou Extension

## **CORPORATE ACTIVITIES**

### **Summit Investment**

On 27 April 2017, the Company successfully closed an equity raising with Summit Investments PCC ('Summit') at A\$0.25 per share, a significant premium to the share price at the time and reflecting the value attributed by Summit to the Company's progress including on the DFS ("Definitive Feasibility Study") and recent drilling results.

The Summit terms were as follows:

- An equity investment of US\$5.0 m at an issue price of A\$0.25 per fully paid ordinary share, a 56% premium to the closing price on 26 April 2017 and a 25% increase from the A\$0.20 price in the original proposed transaction contemplated in the strategic investment in 2016.
- Summit also received 5.0 m options, exercisable at A\$0.30 by 15 November 2019.

### **London Listing Process**

The Company has made significant progress with regards to its proposed listing on the AIM market of the London Stock Exchange, as announced on 10 July 2017, which is expected to be completed before the end of 2017. The Company has appointed Canaccord Genuity as its adviser.

### **Staffing Update**

During the Quarter, the Company appointed John Crews as its Chief Financial Officer. John was previously Chief Financial Officer and Chief Operating Officer at UBS South Africa. In addition, he was also responsible for the finance function across MENA, Israel, Turkey and Nigeria and also served on a number of boards within the region. John graduated from the University of Orange Free State and qualified as a Chartered Accountant with KPMG in 1997.

Lawrence Davidson, the previous Chief Financial Officer, will continue in his role as Joint-Company Secretary as well as taking over responsibility for the risk and compliance function.

Gavin Chamberlain is due to join the Company as Chief Operating Officer on 1 October 2017. Gavin is currently Director of Operations at Amec Foster Wheeler Africa. He has over 30 years' experience in the delivery of large mining projects across Africa. He also has specific experience as Project Director in executing a US\$2.2bn uranium project in Africa. His other roles include time spent in civil construction, project management and as managing director of an EPC construction company focussed on mining. Gavin qualified with a BSc(Eng) Civil Engineering degree and is a registered Professional Engineer with the Engineering Council of South Africa. He is also a registered Professional Project Manager with PMI and is registered as a Construction Project Management Professional with the SACPCMP.

### **Debt Financing**

On 22 May 2017, the Company announced that it had appointed Rothschild & Co (London) as its adviser on the project debt finance facility to build and commission the plant and associated infrastructure at Sintoukola.

## Corporate Video

On 25 May 2017, the Company released its new corporate video and project animation videos on its website [www.korepotash.com](http://www.korepotash.com).

The following links can also be followed to view these:

- K2P Corporate Video - <https://vimeo.com/216822163>
- K2P Project Animation - [https://www.youtube.com/embed/krl0\\_Rhe15Y?rel](https://www.youtube.com/embed/krl0_Rhe15Y?rel)

## **KOLA DEPOSIT RESOURCE UPDATE**

A Mineral Resource Estimate update for the Kola Deposit was completed and announced 6 July 2017. The Measured and Indicated Mineral Resource for Sylvinite is 508 Million tonnes (“Mt”) grading 35.4% KCl (Table 1). The Inferred Sylvinite Resource is 340 Mt grading 34.0% KCl. The Mineral Resource Estimate was completed by Met-Chem division of DRA Americas Inc., a subsidiary of the DRA Group. A large amount of new data was used in the updated Mineral Resource interpretation and estimation including 186 km of re-processed seismic data, and six new drill-holes, for a total of 52 drill-holes.

The updated resource provides the basis for the Kola DFS which is underway, as previously announced. Importantly, the update confirms the significant size and high grade nature of the deposit. A 7% increase in the grade since the previous estimate to 35.4% KCl may contribute to a lowering of the ‘unit cost’ for Muriate of Potash (“MoP”) production. There is a small (5%) reduction in contained potash compared to the 2012 Measured and Indicated Sylvinite Mineral Resource (573 Mt grading 33.1% KCl)<sup>6</sup>; but the deposit remains ‘open’ laterally. The Carnallite<sup>7</sup> Mineral Resource Estimate was also updated but is not being considered at this stage for the mine, which will be for Sylvinite only.

The Hangingwall Seam, Upper Seam and Lower Seam (which host the Measured and Indicated Resource) have an average thickness of 3.3, 4.0 and 3.7 metres, respectively. The Sylvinite is present in broad zones with a dominant northwest-southeast orientation. Mineral Reserve estimation and mine planning has begun, based upon conventional underground ‘room-and-pillar’ mining of the Sylvinite seams; the reserve estimate is due for completion Q1 2018.

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<sup>6</sup> Announcement dated 20 August 2012: Elemental Minerals Announces Significant Further Mineral Resource Upgrade for Kola

<sup>7</sup> Carnallite: a rock comprising of the potash mineral carnallite (KMgCl<sub>3</sub>·6H<sub>2</sub>O) and halite (NaCl).

July 2017 - Kola Deposit Potash Mineral Resources - SYLVINITE					
		Million Tonnes	KCl	Mg	Insolubles
			%	%	%
Hangingwall Seam	Measured	–	–	–	–
	Indicated	29.6	58.5	0.05	0.16
	<b>Meas. + Ind.</b>	<b>29.6</b>	<b>58.5</b>	<b>0.05</b>	<b>0.16</b>
	Inferred	18.2	55.1	0.05	0.16
Upper Seam	Measured	153.7	36.7	0.04	0.14
	Indicated	169.9	34.6	0.04	0.14
	<b>Meas. + Ind.</b>	<b>323.6</b>	<b>35.6</b>	<b>0.04</b>	<b>0.14</b>
	Inferred	220.7	34.3	0.04	0.15
Lower Seam	Measured	62.0	30.7	0.19	0.12
	Indicated	92.5	30.5	0.13	0.13
	<b>Meas. + Ind.</b>	<b>154.5</b>	<b>30.6</b>	<b>0.15</b>	<b>0.13</b>
	Inferred	59.9	30.5	0.08	0.11
Footwall seam	Measured	–	–	–	–
	Indicated	–	–	–	–
	<b>Meas. + Ind.</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
	Inferred	41.2	28.5	0.33	1.03
<b>Total Measured + Indicated Sylvinites</b>		<b>507.7</b>	<b>35.4</b>	<b>0.07</b>	<b>0.14</b>
<b>Total Inferred Sylvinites</b>		<b>340.0</b>	<b>34.0</b>	<b>0.08</b>	<b>0.25</b>

Notes: The Mineral Resources are reported in accordance with The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code", 2012 edition). Resources are reported at a cut-off grade of 10% KCl. Tonnes are rounded to the nearest 100 thousand. The average density of the Sylvinites is 2.10 (g/cm<sup>3</sup>). Zones defined by structural anomalies have been excluded. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, marketing, or other relevant issues. Readers should refer to Appendix 1 for a more detailed description of the deposit and Mineral Resource Estimate. The Mineral resources are considered to have reasonable expectation for eventual economic extraction using underground mining methods.

## OPERATIONAL ACTIVITIES

### Technical Studies

- The DFS is being conducted by a consortium of world class engineering and construction companies consisting of Technip FMC, Vinci Construction Grands Projets, Egis International and Louis Dreyfus Armateurs (the "French Consortium"). The inclusion of a significant amount of Front End Engineering Design ("FEED") work within the DFS scope aims to provide an estimate cost accuracy of +/-10%. The consortium will provide Kore with a Fixed Price and binding Engineering Procurement and Construction ("EPC") proposal for Kola within three months of the completion of the DFS, estimated to be within Q3 2018.
- In addition, the French Consortium ("FC") is contracted to assist Kore with its sourcing of financing, including strategic procurement of equipment, in order to maximise the potential amount of export credit agency opportunities that are available. Kore expects this to be a material part of the overall debt financing package for Kola.

### Project Management

- The FC has now mobilised a team of more than 100 people, which are working on the Project on a fulltime basis. The work is supervised and guided by Kore's project team consisting of project managers, lead engineers, an estimating lead, an environmental consultant and a procurement specialist. In addition, Kore has the support from senior engineers at SQM as well as independent specialist reviewers to assist in the process. The study remains on schedule to be completed in Q2 2018.

- The first phase of the study, which was conducted in parallel to the Project's set-up, field campaigns and early engineering work, was conducted to analyze trade off studies to explore possible optimisation opportunities. These studies have been completed and have significantly improved the project definition allowing engineering and procurement activities to progress. Various opportunities for capital reduction have been identified, specifically in the areas of mine ventilation, process plant platforms and foundations, overland conveyor and ore storage, brine discharge and transshipment facilities. As announced on 20 June 2017, after the first three months the DFS was 7.1% complete, in line with plan and had already identified approximately US\$100 m of potential capital expenditure savings. Management expects to realise further savings in the design process which is now underway.
- Confirmatory metallurgical process test work is underway at Saskatchewan Research Council ("SRC") in Saskatchewan and is expected to be completed in Q3 2017.

### **Field work campaigns**

The following field and test work campaigns have been initiated and are ongoing which will provide input data for the DFS study:

- Shaft geotechnical and hydrogeological campaign to produce design parameters for the vertical shaft design;
- Surface geotechnical and hydrogeological campaign to produce design parameters for the process plant, buildings, roads and infrastructure design;
- Metallurgical test program conducted by SRC, to confirm PFS results and provide design parameters for further process optimisation;
- A geotechnical laboratory test program to verify geotechnical characteristics for the mine design and to optimise the extraction ratio; and,
- A hydrological survey to provide input into ground water modelling, used to confirm fresh water abstraction and support the Environmental Social Impact Assessment ("ESIA") amendment programme.

### **Work streams initiated with RoC authorities**

- The Company has initiated various work streams dedicated to securing the necessary utilities and authorisations based on the final project definition. These work streams focus on securing supply and price agreements for power and gas as well as final authorisation for the finalised transshipment activities.

### **ROC Regulatory Requirements**

- The Dougou Mining License was granted through Presidential Decree n°2017-139 on 9 May 2017 and was published in the Official Gazette on May 18, 2017. The granting of the Dougou Mining License accordingly allowed Kore to finalize the mining convention.
- The mining convention was signed by the RoC Government on 8 June 2017 which made various provisions effective such as customs exemptions. The full entry into force of the mining convention is subject to its ratification into law by the RoC Parliament, the submission of the signed mining convention together with a cover note to the Supreme court having been completed as the first step of this ratification process.
- The Company's exclusive use of the Project surface areas and service corridor land take have been finalised by the FC and have been communicated to the government land commission accordingly. An update of the Ministerial Decision n°125 of Public Interest dated 4 February 2013 as renewed, is expected from the Ministry of Land Affairs as well as a new Ministerial decision declaring the service corridor of public interest. It was decided that the land commission field works and RSK resettlement action plan would start by September only following the parliament members elections and cabinet reshuffle.

- The Company is expecting the Prime Minister Office and Government to award the Sintoukola 2 exploration permit shortly, which application was made on 4 October 2016 (see Figure 1). This claim covers a surface area of 293.27 km<sup>2</sup> adjacent to the North-West border of the Dougou Mining License area.



Figure 1. Map showing the location of the new Sintoukola 2 Exploration License application

## Field Work and Exploration Activity

### DOUGOU EXTENSION SYLVINITE PROSPECT (previously referred to as the YANGALA PROSPECT)

- Drilling of holes DX\_01 to DX\_04 is complete, totaling 1,938 metres. These holes are being drilled at a wide spacing to follow up on two previous holes drilled by the Company at the Prospect: ED\_01 drilled in 2012 contained 4.47 meters grading 57.7% KCl and ED\_03 drilled in 2014, returned 59.5% KCl over a thickness of 4.21 meters<sup>8</sup>. An announcement on the results of DX\_01 to DX\_04 will be made in due course. Drilling was paused in June awaiting the arrival of additional equipment to site.

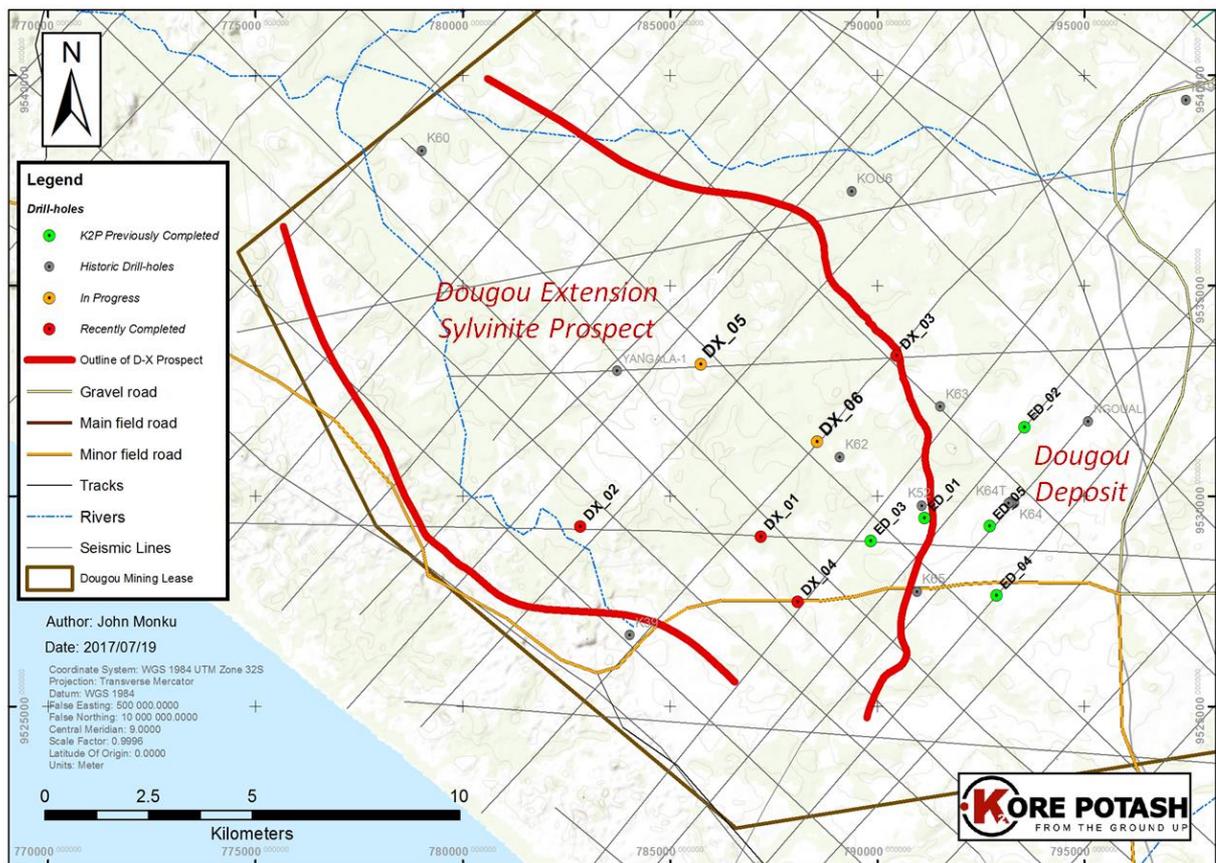


Figure 2. Map showing the extent of the Dougou Extension Sylvinitic Prospect and all drill-holes. The Dougou Carnallite Deposit is to the east.

<sup>8</sup> Announcement dated 20 October 2014: Elemental Minerals Announces Exceptional Results from Dougou-Yangala Drilling

## About Kore Potash's Projects

Kore Potash (ASX: K2P) is an advanced stage mineral exploration and development company whose primary asset is 97%-owned Sintoukola Potash SARL (SP) in the RoC. SP has 100% ownership of the Kola Mining Lease within which the Company's lead project, the Kola Sylvinite deposit is located. SP also has 100% ownership of the Dougou Mining Lease within which the Dougou Carnallitite Deposit and the Dougou Extension Prospect are situated.

These projects are easily accessed, being located approximately 80 km to the north of the city of Pointe Noire and 15 to 30 km from the Atlantic coast. The Projects have the potential to be among the world's lowest-cost potash producers and their location near the coast offers a transport cost advantage to global fertilizer markets.

The Kola Deposit has a Measured and Indicated Sylvinitic Mineral Resource of 508 Mt grading 35.4 % KCl<sup>9</sup>. A Definitive Feasibility Study (DFS) which is underway, being conducted by a consortium of world class engineering and construction companies consisting of Technip FMC, Vinci Construction Grands Projets, Egis International and Louis Dreyfus Armateurs (the "French Consortium"). The DFS contract was signed on 28 February 2017 and the study is scheduled to be completed in Q2 2018.

The Dougou Deposit is 15 km southwest of Kola and is a very large Carnallitite deposit with a Measured and Indicated Potash Mineral Resource of 1.1 billion tonnes grading 20.6% KCl (at a depth of between 400 and 600 metres) hosted by 35-40 metres of Carnallitite within 4 flat-lying seams<sup>10</sup>. A Scoping Study was completed by ERCOSPLAN of Germany in February 2015<sup>11</sup>. This Study indicated that a low capital cost, low operating cost (Life of Mine operating cost of US\$68 per tonne MoP), and quick to production carnallite solution mine could be established at Dougou, taking advantage of the deposit quality and availability of low cost energy in the RoC.

The Dougou Extension Prospect (previously referred to as Yangala) lies immediately west of Dougou. Here the Company has drilled two holes, both intersecting a flat-lying layer of thickness 4 to 4.5 metres with a grade of between 57 and 60% KCl<sup>12</sup>. Drilling to follow-up on these holes commenced March 2017.

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<sup>9</sup> Announcement dated 6 July 2017: Updated Mineral Resource for the High-Grade Kola Deposit

<sup>10</sup> Announcement dated 9 February 2015: Elemental Minerals Announces Large Mineral Resource Expansion and Upgrade for the Dougou Potash Deposit.

<sup>11</sup> Announcement dated 17 February 2015: Results for the Dougou Potash Project Scoping Study

<sup>12</sup> Announcement dated 20 October 2014: Elemental Minerals Announces Exceptional Results from Dougou-Yangala Drilling

## Kore Potash's Mineral Resources

		<b>Potash Mineral Resources</b>	
<b>Potash Deposit</b>	<b>Category</b>	<b>Million Tonnes</b>	<b>Grade KCl %</b>
Kola Sylvinitite (July 2017)	Measured	216	34.9
	Indicated	292	35.7
	Inferred	340	34.0
Kola Carnallitite (July 2017)	Measured	341	17.4
	Indicated	441	18.7
	Inferred	1,266	18.7
Dougou Carnallitite (February 2015)	Measured	148	20.1
	Indicated	920	20.7
	Inferred	1,988	20.8

**Notes:** The Mineral Resource estimates are reported in accordance with the JORC code 2012 edition. The Kola Mineral Resources were reported on the 6 July 2017, and was prepared by Met-Chem division of DRA Americas Inc., a subsidiary of the DRA Group. Resources are reported at a cut-off grade of 10% KCl. The Dougou Mineral Resource was prepared by ERCOSPLAN Ingenieuresellschaft Geotechnik und Bergbau mbH ("ERCOSPLAN") and reported in the ASX announcement dated 9 February 2015. The form and context of the Competent Person's findings as presented in this document have not materially changed since the resource was first reported. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, marketing, or other relevant issues. The Mineral resources are considered to have reasonable expectation for eventual economic extraction using underground mining methods.

For more information contact us or visit [www.korepotash.com](http://www.korepotash.com).

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## **Forward-Looking Statements**

This news release contains statements that are "forward-looking". Generally, the words "expect," "potential", "intend," "estimate," "will" and similar expressions identify forward-looking statements. By their very nature and whilst there is a reasonable basis for making such statements regarding the proposed placement described herein; forward-looking statements are subject to known and unknown risks and uncertainties that may cause our actual results, performance or achievements, to differ materially from those expressed or implied in any of our forward-looking statements, which are not guarantees of future performance. Statements in this news release regarding the Company's business or proposed business, which are not historical facts, are "forward looking" statements that involve risks and uncertainties, such as resource estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties. Actual results in each case could differ materially from those currently anticipated in such statements.

Investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date they are made.

## **Competent Person Statement**

The information relating to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves, and the results of economic studies, is extracted from previous reports, as referred to in footnotes herein, and available to view on the Company's website. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. 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.

## 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

KORE POTASH LIMITED

### ABN

31 108 066 422

### Quarter ended ("current quarter")

30 JUNE 2017

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (6 months) \$US'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(4,415)	(11,289)
(b) development	-	-
(c) production	-	-
(d) staff costs	(875)	(1,644)
(e) administration and corporate costs	(705)	(1,506)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	17	37
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(5,978)</b>	<b>(14,402)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(34)	(38)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (6 months) \$US'000
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(34)</b>	<b>(38)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	5,000	5,000
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	(823)	(823)
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 Net cash from / (used in) financing activities</b>	<b>4,177</b>	<b>4,177</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	34,563	42,610
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(5,978)	(14,402)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(34)	(38)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	4,177	4,177
4.5 Effect of movement in exchange rates on cash held	1,219	1,600
<b>4.6 Cash and cash equivalents at end of period</b>	<b>33,947</b>	<b>33,947</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 \$US'000	Previous quarter \$US'000
5.1 Bank balances	33,947	34,563
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>33,947</b>	<b>34,563</b>

6. <b>Payments to directors of the entity and their associates</b>	Current quarter \$US'000
6.1 Aggregate amount of payments to these parties included in item 1.2	158
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	

All transactions included in item 6.1 are for payment of directors fees.

7. <b>Payments to related entities of the entity and their associates</b>	Current quarter \$US'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

## Mining exploration entity and oil and gas exploration entity quarterly report

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

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<b>9. Estimated cash outflows for next quarter</b>	<b>\$US'000</b>
9.1 Exploration and evaluation	10,567
9.2 Development	-
9.3 Production	-
9.4 Staff costs	1,027
9.5 Administration and corporate costs	908
9.6 Other (provide details if material)	-
<b>9.7 Total estimated cash outflows</b>	<b>12,502</b>

<b>10. 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	-	-	-	-

**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: .....  
Joint Company Secretary

Date: 31 July 2017

Print name: Henko Vos.

**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.