

ASX Announcement

9 August 2017

Clarification on June 2017 Quarterly Cash Flow Report

The Company has received a number of enquiries from shareholders about the large administration cost in the June 2017 Quarter Cashflow Appendix 5B. The Company's financial reporting obligations are normally met with its quarterly, half yearly and annual reports however on this occasion as an exception and in the interests of all shareholders the Company is providing a brief overview.

Shareholders should note that the June 2017 Quarter administration cash outflow was previously forecast in the March 2017 Quarter Cashflow statement.

The largest component of the June Quarter administration costs was a payment covering accumulated Service Fees and Overheads for an extended period of time. There were also payments to Directors shown as Staff costs in the outflow and they were clearly disclosed in the Quarterly cashflow as required by the ASX Listing Rules. Directors had not been paid for an extended period of time as can be seen in previous quarterly cash flows.

Prior to the capital raisings over the last 9 months the Company was not in a position to pay these amounts immediately. The Company wishes to point out that loan funds received during 2016 and 2017 (and now all repaid) and deferral of costs over the last year or so were extremely valuable financial support and enabled the Company to build a portfolio of projects in the technological metals sector as well as progressing its Manindi Zinc project. The Company was able to build shareholder value and raise significant monies from a strong position through this financial support.

The administration costs for current quarter September 2017 will reflect a cash outflow more indicative of normal levels without the substantial catch up of costs which has caused some concern. The September quarter will however contain some usual one off yearly costs such as annual ASX fees and audit fees.

The Company welcomes shareholder attendance at the AGM later this year to discuss its financials and of course its exciting portfolio of projects.

ENDS

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