



## Pure Minerals Limited

ASX ANNOUNCEMENT

27 OCTOBER 2017

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### Quarterly Activities and Cashflow Report for quarter ending 30 September 2017

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Pure Minerals Limited (**the Company, Pure Minerals or PM1**) is pleased to provide the following update on its activities during the quarter ending 30 September 2017.

#### Corporate

On 31 July 2017 Pure Minerals announced the completion of the transactions to acquire a 100% of the issued capital of Pure Manganese Pty Ltd and 80% of Mineral Developments Pty Ltd. These transactions gave Pure Minerals a 100% interest in the Battery Hub manganese project, an 80% interest in the Morrissey Hill lithium-tantalum project and an 80% interest in the Mount Boggola copper project.

In addition, the company raised \$4,500,000 under the public offer pursuant to the prospectus dated 4 May 2017 and supplementary prospectus dated 22 June 2017. The offer issued 225,000,000 shares at a price of \$0.02 per share.

Concurrently, the Company issued 17,500,000 shares as consideration for Pure Manganese Pty Ltd and Mineral Developments Pty Ltd and 10,000,000 shares upon conversion of convertible notes.

As a result of the completion of the acquisitions and fund raising, the company appointed Sean Keenan as Executive Director, Jeremy King as non-executive chairman and Lincoln Ho as non-executive director. Bryan Frost and Andrew McKay both resigned as non-executive directors.

Pure Minerals was reinstated to Official Quotation from the commencement of trading on Friday, 4 August 2017 following the Company's re-compliance with Chapters 1 and 2 of the ASX Listing Rules pursuant to Listing Rule 11.1.3.

Upon re-listing, Pure Minerals had 270,629,059 fully paid ordinary shares on issue. Of those, 12,500,000 shares are under escrow for 24 months and a further 5,000,000 shares are under escrow for 12 months.

During the quarter, Pure Minerals changed its registered office address to Level 1, 1 Altona Street, West Perth, Western Australia, 6005.

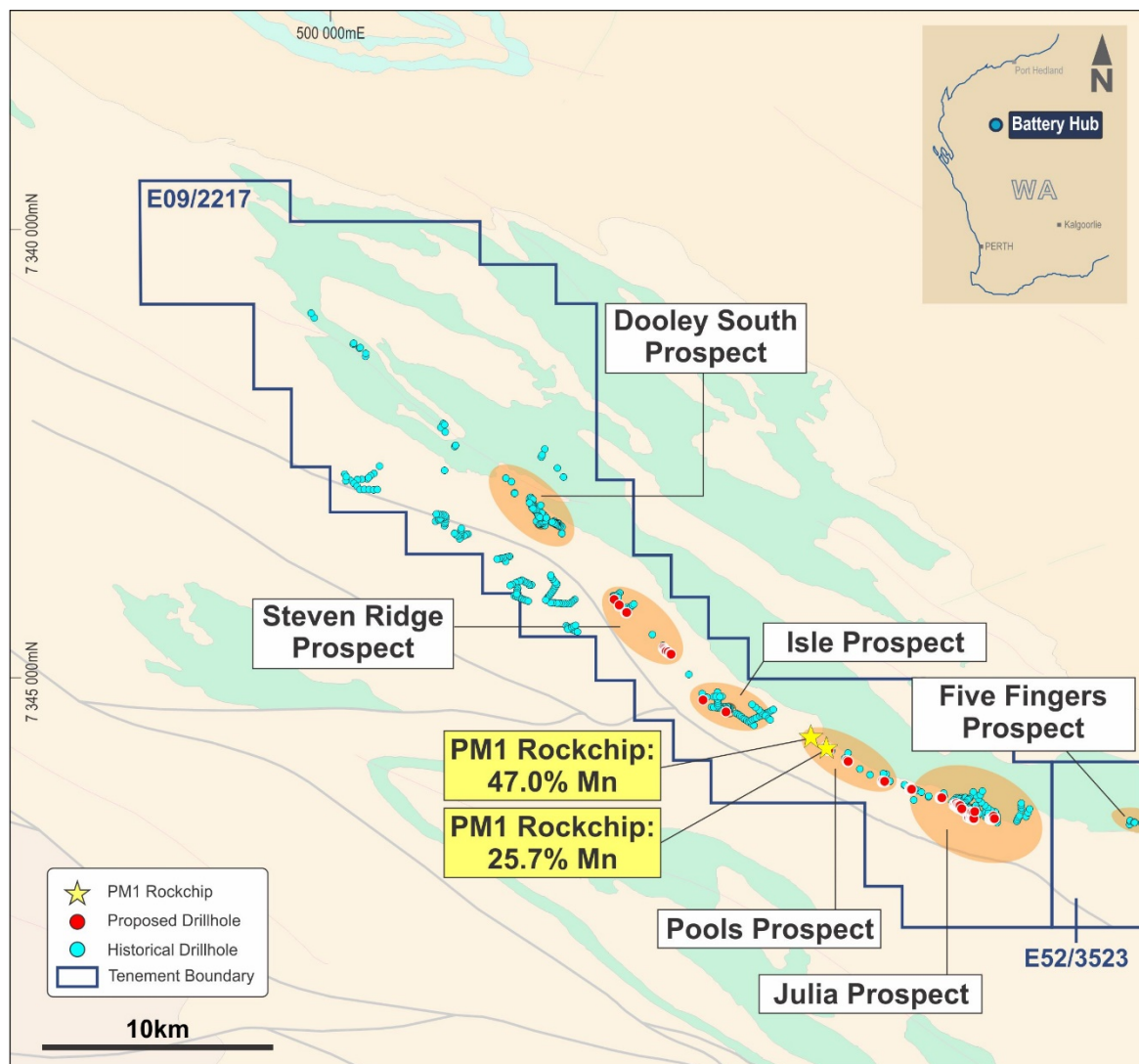
#### Battery Hub Project (100% PM1)

During the quarter, one of the two tenements at Battery Hub, E09/2217, was granted, giving the Company rights to explore more than 40 manganese prospects over 30km of strike length.

Upon granting, Pure Minerals immediately began plans for approving an RC drilling program at Battery Hub, with the objective of defining a maiden JORC resource. To assist in its planning, Pure Minerals reviewed a historic database of more than 500 drill holes and began a surface mapping and sampling program.

On 28 September 2017, Pure Minerals announced that it had submitted an Exploration Program of Work (PoW) to the WA Department of Mines, Industry Regulation and Safety, seeking approval to begin Reverse Circulation drilling. The drilling program will comprise more than 50 RC drill holes for more than 2,000 metres. Proposed drill holes are outlined in Figure 1. The first drill targets are expected to be the Isle and Julia prospects.

In addition, Pure Minerals announced initial rock chip sampling results from the Pools prospect in the south of E09/2217. The two samples returned rock chip samples with grades of 25.7% Mn and 47.0% Mn in recent assays.



**Figure 1:** Location map of prospects, historic and proposed drill collars and rock chip results at Battery Hub (Source: PM1 News Release, 28 September 2017)

The other tenement at Battery Hub, E52/3523, is expected to be granted during October/November. This tenement hosts the Five Fingers target, which the Company views as highly prospective for manganese mineralisation.

### **Morrissey Hill (80% PM1)**

In August 2017, Pure Minerals commenced an initial soil sampling survey and rock chip sampling program over the northern portion of its 59 km<sup>2</sup> Morrissey Hill project to identify its prospectivity for lithium-tantalum mineralisation. The area is known for multiple pegmatite intrusions and fractionated granites which have the potential to host lithium mineralisation.

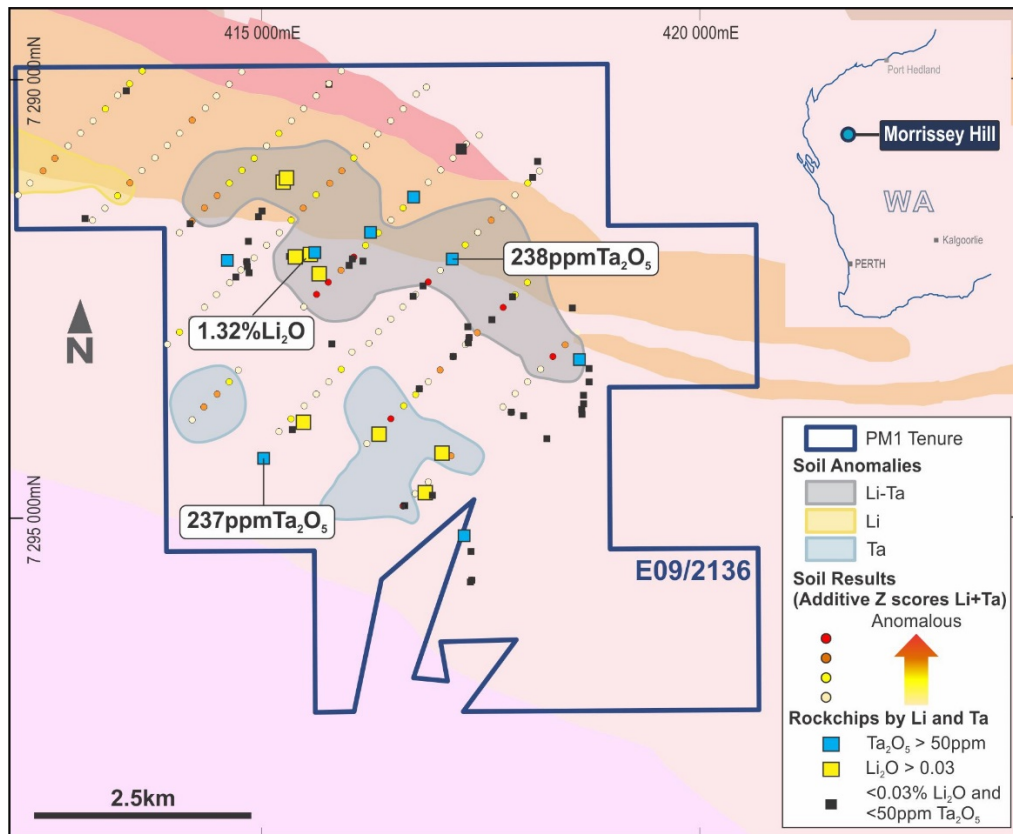
The soil survey consisted of 133 samples collected on a 200m x 800m grid. In addition, the Company collected 50 rock chip samples from various pegmatite and granite outcrops within and surrounding the soil sampling grid.

The soil sampling program was designed to identify lithological packages with anomalous pathfinder elements for lithium-caesium-tantalum pegmatites (Li, Cs, Ta, Nb, Rb) which may indicate sub-cropping prospective pegmatites.

Results were announced subsequent to the end of the quarter, on 5 October 2017. The program successfully delineated two key anomaly areas (see Figure 2):

- (1) a 5.0km x 1.0km lithium and tantalum soil anomaly, with results up to 0.045% Li<sub>2</sub>O and 20.9 ppm Ta<sub>2</sub>O<sub>5</sub>, and
- (2) two tantalum soil anomalies of 1.6km x 1.4km and 1.0km x 0.4km with results up to 18.9 ppm Ta<sub>2</sub>O<sub>5</sub>

All anomalies occur within a broad caesium anomaly above 10ppm Cs covering an area of more than 10 km<sup>2</sup>.



**Figure 1:** Soil anomalies, soil sampling locations showing multivariate Z-score (Li, Ta, Cs, Rb, Nb), and highlighted rock chip samples (Source: PM1 News Release, 5 October 2017)

Morrissey Hill is located approximately 10km west of Segue Resources' recent Malinda (formerly Reid Well) lithium discovery.

Pure Minerals intends to infill sample the areas showing the strongest lithium and tantalum anomalies in the soil sampling program with the intention of enhancing the definition of the anomaly for improved drill targeting.

### Mount Boggola (80% PM1)

During the quarter Pure Minerals completed initial mapping and reconnaissance of Mount Boggola.

Pure Minerals believes that a review of historic geophysics is warranted and will undertake this process in the December quarter of 2017.

### Bordah Well (80% PM1)

No exploration activities were undertaken during the quarter

### Lake Blanche (100% PM1)

The transfer of the Lake Blanche uranium project, located in South Australia, from GB Energy Ltd to Pure Minerals was initiated during the quarter.

For more details about Pure Minerals Limited see [www.pureminerals.com.au](http://www.pureminerals.com.au)

### Tenement Table: ASX Listing Rule 5.3.3

#### Mineral tenement interests held at the end of the quarter

Tenement	Status	Project	Holding	Grant Date	End Date	Prospective for
E08/2693	Granted	Mt Boggola, WA	80%	29/09/2015	28/09/2020	Copper-gold
E09/2132	Granted	Bordah Well, WA	80%	01/07/2016	30/06/2021	Gold-copper, REE, Uranium
E09/2133	Granted	Morrissey Hill, WA	80%	20/07/2016	19/07/2021	Lithium & REE mineralisation
E09/2136-I	Granted	Morrissey Hill, WA	80%	20/07/2016	19/07/2021	Lithium & REE mineralisation
EL5391	Granted	Lake Blanche, SA	100%	27/03/2014	26/03/2018	Lithium & Uranium
E09/2217-I	Granted	Battery Hub, WA	100%	13/09/2017	12/09/2022	Manganese
E52/3523-I	Application	Battery Hub, WA	100%			Manganese

Note: Lake Blanche was pending transfer to Pure Minerals at end of the quarter, which has subsequently occurred.

#### The mining tenement interests relinquished during the quarter and their location

Nil.

#### The mining tenement interests acquired during the quarter and their location

All tenements in the above table.

#### Beneficial percentage interests held in farm-in or farm-out agreements at the end of the quarter

Not applicable.

#### Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter

Not applicable.

## 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

Pure Minerals Limited

### ABN

61 125 368 658

### Quarter ended ("current quarter")

30 September 2017

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(46)	(46)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	-	-
	(e) administration and corporate costs	(281)	(281)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	5	5
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	-
1.8	Other – Settlement Costs		
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(322)</b>	<b>(322)</b>
1.2(e)	Administration and corporate costs include certain one-off costs such as legal fees and ASX fees incurred in connection with the Company re-complying with Chapters 1 and 2 and re-listing on ASX.		
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	(90)	(90)

+ See chapter 19 for defined terms

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
	(c) investments	-	-
	(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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(90)</b>	<b>(90)</b>
Explanation necessary for an understanding of the transactions.			
2.1(b)	On 31 July 2017, the Company acquired 100% of Pure Manganese Pty Ltd and 80% of Minerals Development Pty Ltd. The terms of the acquisition included \$90,000 cash payment and the issue of 17,500,000 to the vendors of Pure Manganese and Minerals Development.		

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	4,500	4,500
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	(292)	(292)
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 (proceeds from unissued shares)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>4,208</b>	<b>4,208</b>
3.1	On 31 July 2017, the offer under the Prospectus closed and the Company issued 225,000,000 at \$0.02 per share raising \$4.5 million.		

<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	24	24
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(322)	(322)



<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(90)	(90)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4,208	4,208
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>3,820</b>	<b>3,820</b>

<b>5.</b>	<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	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	3,820	24
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,820</b>	<b>24</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

<b>Current quarter \$A'000</b>
(56)
-

**Explanation necessary for an understanding of the transactions**

6.1	Director and consulting fees paid to Directors and/or Director related entities	\$48,000
	Financial management fees paid to a Director related entity	\$7,875

**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

<b>Current quarter \$A'000</b>
-
-

**Explanation necessary for an understanding of the transactions**

**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.

Nil.

**9. Estimated cash outflows for next quarter**

**\$A'000**

9.1	Exploration and evaluation	(300)
9.2	Development	-
9.3	Production	-
9.4	Staff costs	-
9.5	Administration and corporate costs	(100)
9.6	Other (provide details if material)	-
<b>9.7</b>	<b>Total estimated cash outflows</b>	<b>(400)</b>

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	N/A			
10.2	Interests in mining tenements and petroleum tenements acquired or increased	E08/2696 WA E09/2132 WA E09/2133 WA E09/2136-I WA EL5391 SA <sup>1</sup> E09/2217-I E52/3523-I	Direct interest Direct interest Direct interest Direct interest Direct interest Direct interest Direct interest	- - - - - - -	80% 80% 80% 80% 100% 100% 100%

<sup>1</sup> EL5391 was pending transfer at the end of the quarter. Subsequent to quarter-end, the tenement has been transferred to Pure Minerals.

### **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:

Company secretary

Date: 27 October 2017

Print name: Justyn Stedwell

### **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.