



ASX RELEASE

Quarterly Report for
31 December 2017

ASX code: RVY

Board of Directors:

Stephen Dobson
Executive Chairman

Dave Hammond
Executive Director

Mark Hohnen
Non-Executive Director

Neil MacLachlan
Non-Executive Director

Akram Aziz
Non-Executive Director

Tel +61 8 9221 00 90
Fax +61 8 9221 00 95

ABN 86 121 985 395

QUARTERLY ACTIVITIES REPORT

For the period ending 31 December 2017

HIGHLIGHTS

The Company is pleased to summarise strong progress made during the Quarter on its 70% owned Longonjo Magnet Metal Project in Angola. This follows the completion of a high grade Maiden Mineral Resource for the Project in the previous September Quarter 2017.

- Release of a positive Longonjo Project Scoping Study Update that supports further development work and studies
- The Study Update identifies several positive aspects of the Project including:
 - High potential to significantly expand the current Mineral Resource
 - Weathered mineralisation amenable to conventional open pit mining with “free dig material and a very low waste to resource strip ratio
 - The Project is favourably located close to existing infrastructure and utilities
 - The deposit has favourable and commonly processed rare earth mineralogy
 - Flowsheet design to produce four high purity separated products aligned to end uses
 - Potential products are aligned to the magnet metal market with approximately 82% of potential value from neodymium-praseodymium oxide (“NdPr”).
 - Demand for magnet metals is widely predicted to surge driven by their application in the electrification of vehicles and green energy generation.

The continuing positive results from the Longonjo Study has lead the Company to focus the majority of its resources on realising the potential of the Longonjo Magnet Metal Project going forward.

- Flotation testwork continued on bulk samples of Longonjo’s weathered mineralisation under the direction of experienced rare earth metallurgical specialist Mr Gavin Beer
- Appointment of rare earth experienced Chief Operating Officer Mr Dave Hammond to the Board and to lead the companies technical development programs at Longonjo
- Initial drilling results received from Cassenha Hill Copper Project. Review indicates good potential for extensions to the currently defined mineralisation.

Corporate

A \$1.5 million placement to institutional and sophisticated investors was successfully completed in December at a price of \$0.03 per share.

Post Quarter end, on 17 January 2018, the Company was pleased to announce that experienced resource executive Mr Neil MacLachlan is to join the Board as a Non-executive Director. Mr MacLachlan was a director of Extract Resources Ltd and Kalahari Minerals Plc, which were subject to takeovers for US \$2.1billion and £651 million in 2012. Mr MacLachlan’s appointment completes the Board restructure that includes the appointment of Mr Mark Hohnen and Mr Dave Hammond in late 2017.

Quarterly Activities Report

Scoping Study Update

The Company received preliminary results from the scoping study (“Study”) on its 70% owned Longonjo Magnet Metal Project in Angola during the Quarter (ASX announcement “**Longonjo Magnet Metal Project Scoping Study Update**” of 6 December 2017).

The preliminary results based on the Weathered Zone portion of the JORC Mineral Resource estimate, are encouraging and support further drilling and evaluation work to assess the potential of the Project to become a long term supplier of the Magnet Metals neodymium and praseodymium.

The Study is being undertaken by leading global mining and processing consultant Amec Foster Wheeler. The Study contemplates a shallow open pit mining operation at the Project based on the weathered zone portion of the Inferred JORC Mineral Resource, an onsite processing plant and associated infrastructure.

A conceptual process flowsheet has been developed for Longonjo’s favourable mineralogy to produce four separated high purity products aligned to the Magnet Metal market.

Why the Magnet Metals?

Analysts predict that the Magnet Metal rare earths neodymium and praseodymium (NdPr) are set to experience strong demand growth in coming years due to the wider acceptance of emerging technologies including electric and hybrid vehicles (EV’s) and clean energy applications (wind turbines electricity generation).

NdPr is a key component in the manufacture of permanent magnets used in the motors and turbines of these technologies.



~Each plug in EV requires 1.5kg of NdPr



A permanent magnet wind turbine requires
~120kg NdPr per MW

Demand for NdPr is predicted to double by 2025¹, with a shortfall expected from 2021.

China, Angola’s largest trading partner, controls the NdPr market but analysts predict it will become a net importer by 2025¹. China has recently invested and is partnering in several overseas rare earths projects.

¹ Adamas Intelligence 2017

Mineral Resource Upside

The Study is based on the Weathered Zone portion of the maiden Mineral Resource estimate (“MRE”) for the Project that was reported during the previous Quarter (ASX announcement “**Maiden JORC Mineral Resource Estimate - Longonjo Project**” of 26 September 2017).

The Mineral Resource estimate reported in accordance with the JORC Code and Guidelines 2012, is classified as Inferred and was prepared by Heather King of AMEC Foster Wheeler, a competent person as defined by the JORC Code 2012.

The Weathered portion of the total MRE forms the basis of the Study. At a 1% REO lower grade cut the Weathered Zone MRE is:

11.6Mt at 4.30% rare earth oxide (REO*) for 499,000 tonnes of contained REO

REO, or total rare earth oxide, is the sum of La_2O_3 , CeO_2 , Pr_6O_{11} , Nd_2O_3 , Sm_2O_3 , Eu_2O_3 , Gd_2O_3 , Tb_4O_7 , Dy_2O_3 , Ho_2O_3 , Er_2O_3 , Tm_2O_3 , Yb_2O_3 , Lu_2O_3 and Yb_2O_3 .

The weathered zone mineralisation is soft oxide material that occurs from surface over a wide area, enabling simple low cost open pit mining with a low waste to feed ratio. The mineralogy of the rare earth mineralisation (monazite and bastnaesite) are the most commonly processed world-wide and the relatively high grades are also a distinguishing feature of the Project.

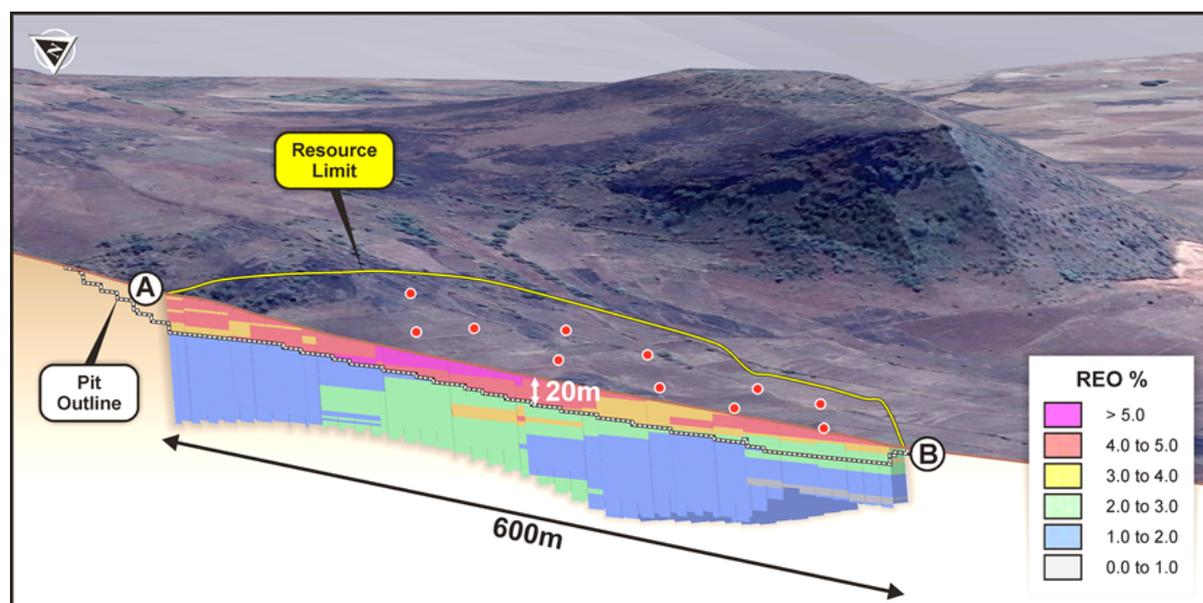
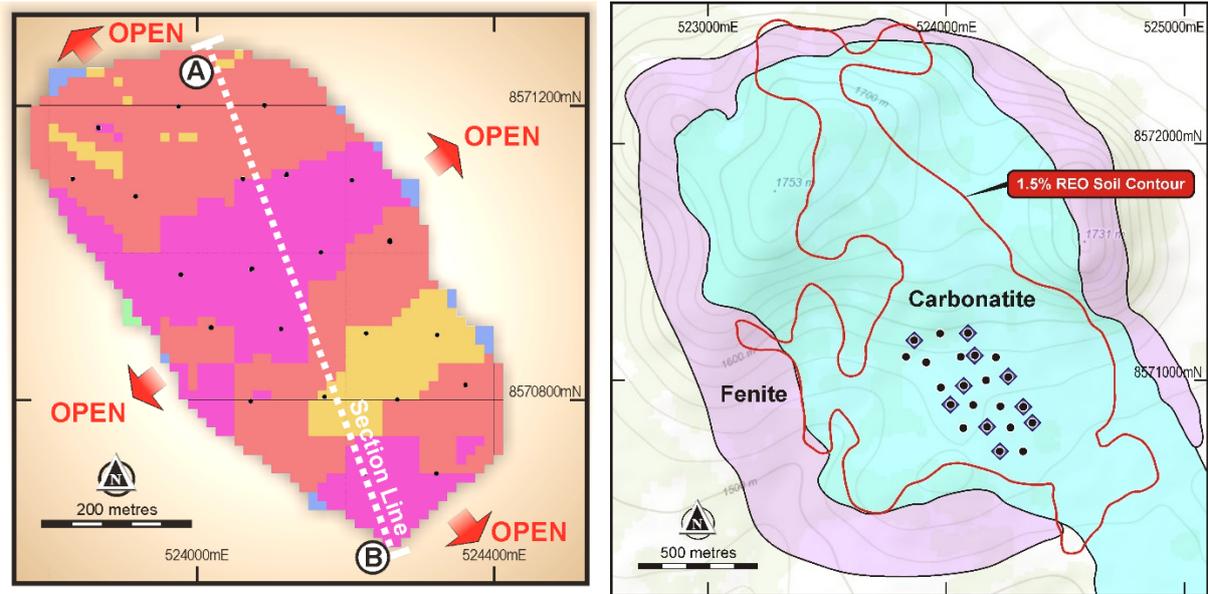


Figure 1: 3D perspective view looking north east through the Mineral Resource block model showing the high grade weathered zone mineralisation at surface. See Figure 3 for location of section line.

As the Mineral Resource remains open in all directions beyond the current drill pattern (Figure 2) and only a portion of the prospective area of the Longonjo Carbonatite and rare earths in soil anomaly has been tested to date (Figure 3) there is significant potential to expand the current Mineral Resource to a globally significant high grade Magnet Metal deposit through additional drilling.



Figures 2 & 3: *Left* Weathered Zone MRE block model and current drilling. The MRE is open in all directions. *Right*: Drilling on the Longonjo Carbonatite and REO soil anomaly showing the relatively small portion of the prospective area drill tested to date.

The Company believes there is excellent potential to significantly expand the current Mineral Resource and further drilling will be planned to realise the full potential of the Longonjo Magnet Metal Project

Infrastructure advantages

The Project has an enviable position compared to many rare earth development projects, being located close to established infrastructure (Figure 4).

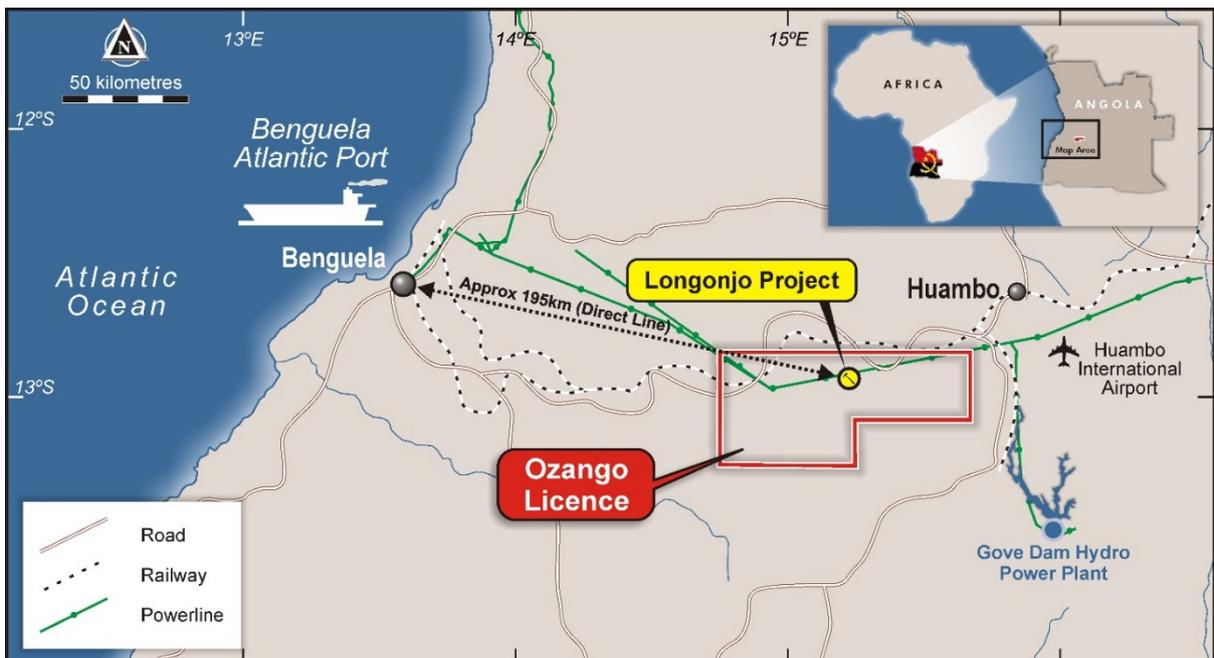
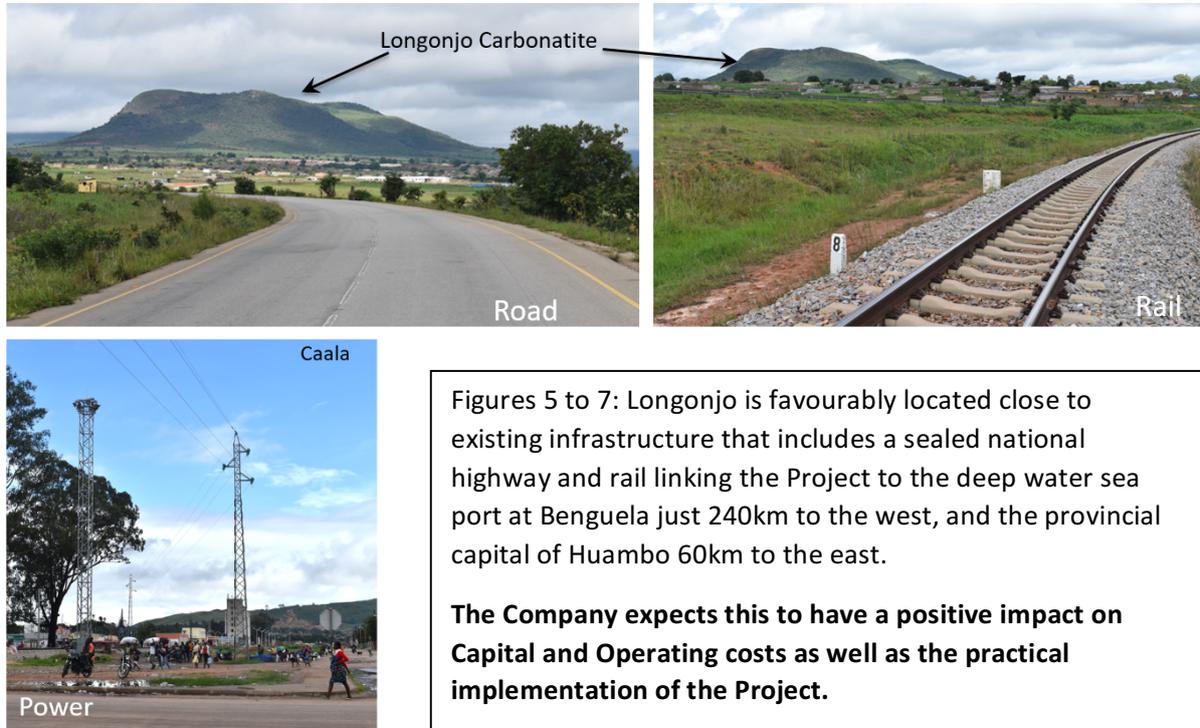


Figure 4: Location map of Longonjo Magnet Metal Project in Angola and established major infrastructure.

The Project lies just 3km from the sealed national highway and rail line that run from the port at Benguela 200km to the west, to the provincial capital of Huambo 60km to the east (Figures 5 & 6). A power transmission line from the Gove Dam hydroelectric power plant currently extends to Caala, 38km to the east of the Project (Figure 7). The extension of the power line to Benguela through to Longonjo is underway and on completion the line will be five kilometres from the Project.



Figures 5 to 7: Longonjo is favourably located close to existing infrastructure that includes a sealed national highway and rail linking the Project to the deep water sea port at Benguela just 240km to the west, and the provincial capital of Huambo 60km to the east.

The Company expects this to have a positive impact on Capital and Operating costs as well as the practical implementation of the Project.

Metallurgical Process Development

The process flowsheet for the Study (Figure 8) was developed from ongoing flotation testwork, acid baking testwork which showed rare earth extractions of 84% without optimisation of the process, and practises in similar operations.

Sample characterisation has been completed which, together with initial flotation tests, identified the weathered mineralisation as most favourable for processing. Qemscan quantitative mineralogy studies show that rare earths in the weathered zone are hosted by monazite (80%) and bastnaesite (20%) (Figure 9).

The weathered mineralisation at Longonjo comprises iron and manganese oxides, clay, barite, biotite and feldspar in addition to the rare earth minerals noted. Although rare earth deposits each have a different mineralogical composite, requiring specific research and development to identify an effective processing flowsheet, the combination of rare earth and host rock minerals is encouraging in the similarities with other deposits where an economic processing route has been successfully developed.

Flotation test work is currently in progress on bulk samples of Longonjo's weathered mineralisation under the direction of experienced rare earth specialist consultant Mr Gavin Beer, who has been responsible for the development of flow sheets for 8 rare earth projects including Arafura and Peak Resources. Initial sighter flotation tests have shown that the barite content in the composite sample is diluting the concentrate. Testwork is now proceeding on a barite flotation stage prior to the rare

earth flotation, with a regrind stage in between. Alternate reagents are under evaluation for this scheme.

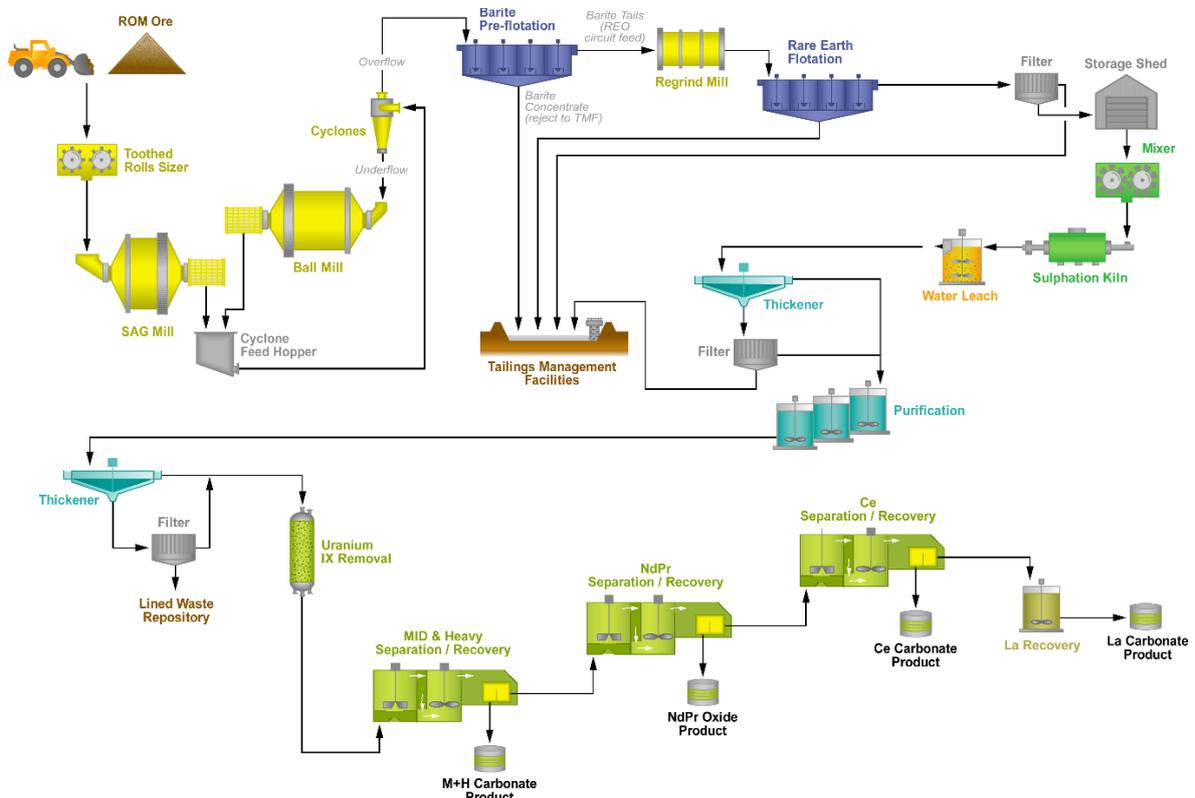


Figure 8: Simplified Process Flowsheet for the Project's high grade weathered rare earth mineralisation

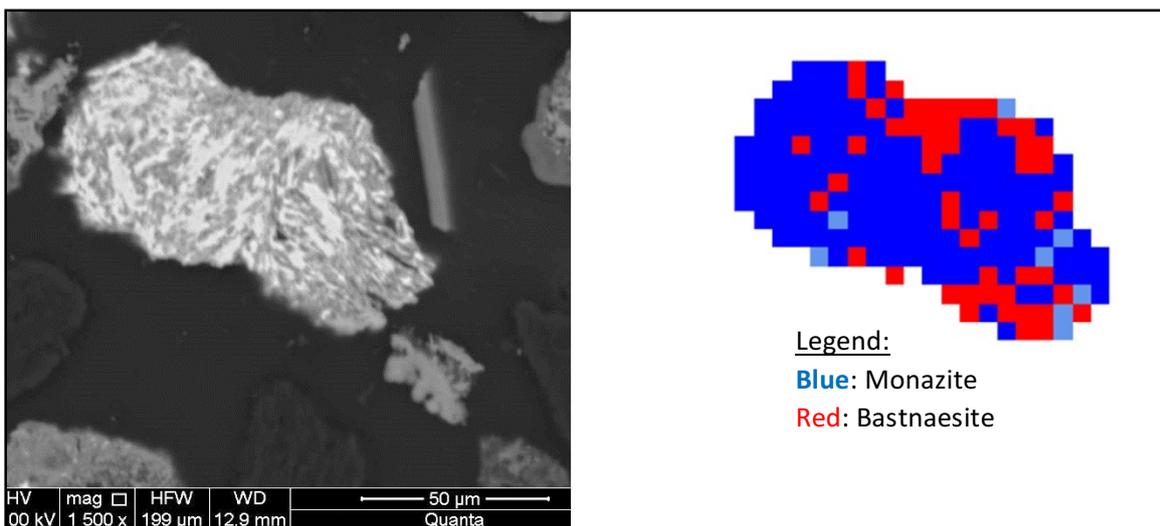


Figure 9: Electron microscope photograph (left) and Qemscan mineral composition image (right) of 100 micron grain of monazite and bastnaesite from the Longonjo weathered zone.

The distribution of individual rare earth oxides as a portion of the total REO within the weathered mineralisation used for the Scoping Study as determined by analysis of the bulk composite of the top 20m of each of the ten diamond drill holes is shown in Table 1:

Table 1: Distribution and relative proportions of individual rare earths in the bulk composite and four planned products

Rare Earth Oxides		REO Grade (%)	% of Total REO	% Total REO in Product Split %
Lanthanum	La ₂ O ₃	1.061	26.8	26.8
Cerium	CeO ₂	1.937	48.9	48.9
Praseodymium	Pr ₆ O ₁₁	0.192	4.85	19.6
Neodymium	Nd ₂ O ₃	0.584	14.7	
Samarium	Sm ₂ O ₃	0.067	1.69	4.8
Europium	Eu ₂ O ₃	0.015	0.38	
Gadolinium	Gd ₂ O ₃	0.031	0.79	
Terbium	Tb ₄ O ₇	0.003	0.08	
Dysprosium	Dy ₂ O ₃	0.013	0.32	
Holmium	Ho ₂ O ₃	0.002	0.05	
Erbium	Er ₂ O ₃	0.004	0.10	
Thulium	Tm ₂ O ₃	0.000	0.01	
Ytterbium	Yb ₂ O ₃	0.002	0.005	
Lutetium	Lu ₂ O ₃	0.000	0.01	
Yttrium	Y ₂ O ₃	0.051	1.29	
Total REO*	REO	3.964	3.96	100

Four distinct high purity products are assumed, selected to align to specific market end uses, as final outputs from the separation plant:

- A high purity NdPr oxide suitable for the permanent magnet market
- A cerium carbonate suitable for glass polishing and steel alloy markets
- A lanthanum carbonate tailored to the fluid cracking catalyst market
- A mixed mid and heavy (Sm to Lu and Y) rare earth carbonate that will be toll treated at a specialty separation plant

Longonjo's potential products are aligned to the Magnet Metals market with approximately 82% of the value estimated to be derived from the NdPr products at relative pricings in December 2017.

Next Steps and Opportunities

The positive outcomes of the Study support the potential viability of the Project and the Company's strategy to proceed further along the pathway to development. Next stage study parameters are anticipated to include:

- Additional drilling programs targeting high grade extensions to the currently defined weathered zone rare earth mineralisation, which is open in all directions. Infill drilling will also be completed to assist, together with the metallurgical testwork, to upgrade the resource classification.

- Metallurgical testwork to confirm the identified processing route on weathered rare earth mineralisation from Longonjo. This program has already commenced and will define the design criteria and equipment selection for the processing plants.
- Tighten reagent supply and prices via engagement with reagent suppliers with the intent to accurately quantify and reduce the price of these major operating cost items.
- Commencement of environmental and social baseline surveys to progress the approvals process required for the Project
- Engagement with logistics partners and providers to secure optimal transport solutions for reagent and product freight
- Marketing studies and engagement with potential offtake customers for Longonjo's products
- Commencement of discussions with potential strategic partners and finance providers to secure funding for the development of the Longonjo Project.

The Company believes that it is in a strong position to engage in discussions about the future financing of the Project and the economic and technical validation to commence additional field and metallurgical test work programs. The Company will continue to keep the market informed of progress and results as they come to hand.



Figure 10: Hills forming the outer rim of the Longonjo Carbonatite viewed from the south

Angola

High residual prospectivity.....

Angola can be considered a “New Frontier” for mining, with high residual prospectivity as a result of its favourable geological terranes, numerous unexplored mineral occurrences, location neighbouring mineral rich countries such as Namibia, Zambia and the Democratic Republic of Congo, and the country being effectively closed to mining investment and modern exploration for over 35 years as a result of the civil war.



Luanda skyline, 2017

.....and the right time to invest

With the end of the civil war in 2002, peace and stability have been re-established. As the second largest oil producer in Africa and a major diamond producer, Angola has been able to re-establish infrastructure in terms of new roads, rail, ports and power networks.

Further confidence for investors is provided by the country signing the New York Convention in March 2017, which commits to international arbitration as a means to settle commercial disputes. The government, under new President Hon. João Lourenço is bringing reforms and is firmly pro foreign investment. A US \$400million Government funded airborne survey has recently been completed as one of several measures to encourage new mining investment.

With a 25% mining tax and 3 to 5% State Royalty, Angola is ‘Open for Business’.

The country is “open for business” – being highly prospective, underexplored and with opportunities to acquire high quality new projects in a jurisdiction actively encouraging mining development

The Company is reviewing opportunities for new projects in favourable commodities in order to leverage off its first mover advantage and established relationships.

Cassenha Hill Copper

After Quarter end the Company received initial results for the 9 hole diamond drilling program at the Cassenha Hill Copper Project (ASX announcement “Cassenha Hill Copper Project – Progress Report” of 19 January 2018).

Previously reported* diamond drilling results of up to **24m at 1.49% copper from 84m** (including 9m at 3.11% copper from 87m from hole CHD006) were returned from the Company’s 2015/2016 drilling program*. Previous channel sampling of underground workings returned up to **84m at 0.81% copper** (including 6.4m at 3.6% copper) from Adit 2 and 16 metres at 1.79% copper from trench DTR5 (Figure 11).

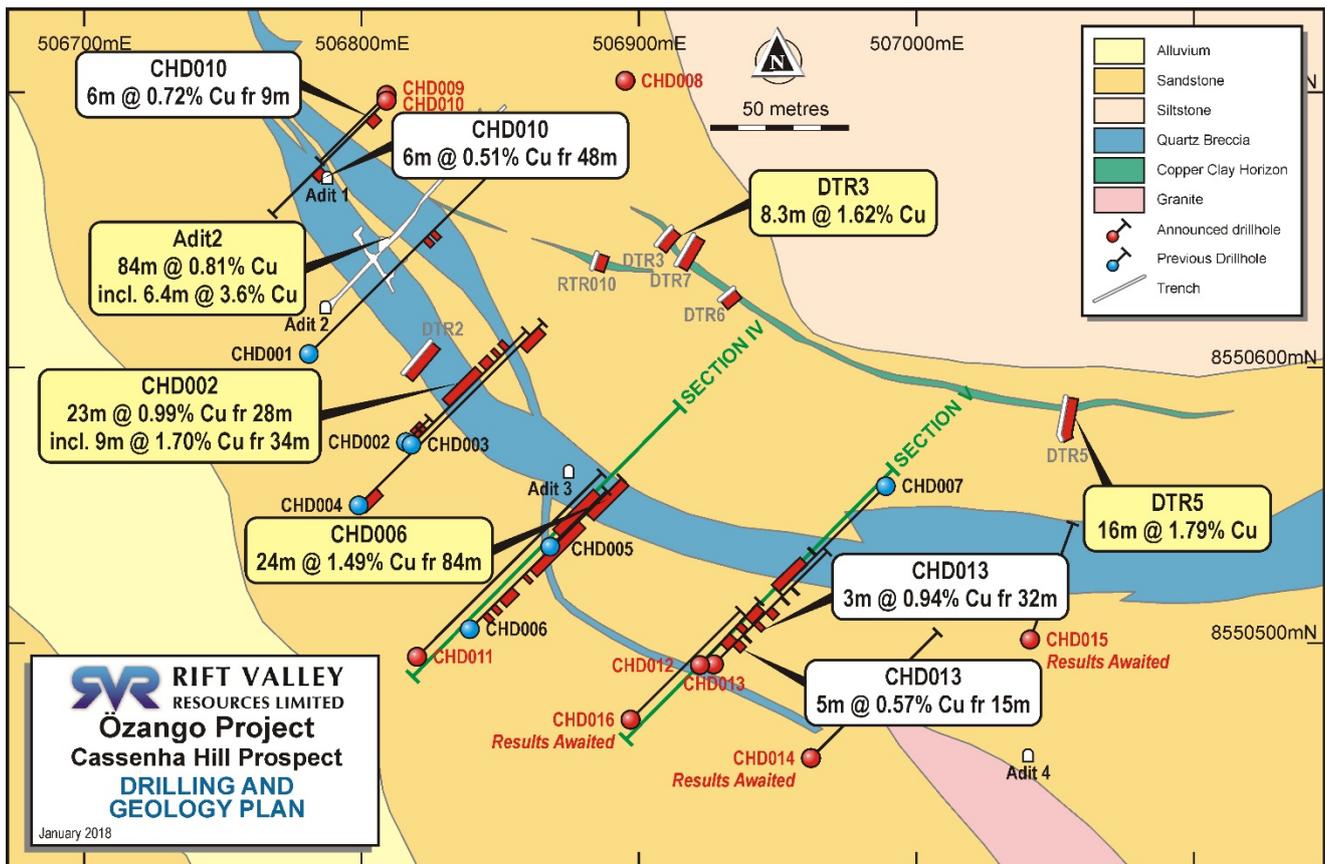


Figure 11: Drill hole location plan of Cassenha Hill with selected intersection highlights from new and previously reported drilling and historic sampling and geology over the 400m strike tested by drilling to date

New results from the first 6 holes at a 0.25% copper lower grade cut include:

<u>Drill hole</u>	<u>Intersection</u>
CDH010:	6m at 0.72% copper from 9m and 6m at 0.51% copper from 48m
CDH013:	5m at 0.57% copper from 15 metres and 3m at 0.94% copper from 32m and 5m at 0.34% copper from 41m

For further details see ASX announcement of 19 January 2018.

*ASX Announcement “Extensive copper mineralisation with associated gold at Cassenha Hill – Angola” of 11 April 2016.

Oxide copper mineralisation occurs as azurite (Figures 12 & 13) and malachite within a sub vertical structural zone of brecciated quartz veining and magnetite-rich alteration bands approximately 20 metres in horizontal width.



Figures 12 and 13: Azurite copper oxide mineralisation in brecciated quartz. Field of view of the photo of brecciated quartz vein with azurite outcrop on right is approximately 5 metres.

Significant upside for additional copper mineralisation exists at Cassenha Hill as drilling has tested just 400m of a high tenor copper and gold in soils anomaly that extends over a total strike length of 1,700 metres (Figure 14). Planning for follow-up drilling to test these areas will be considered once the remaining assay results for the 2017 program have been received.

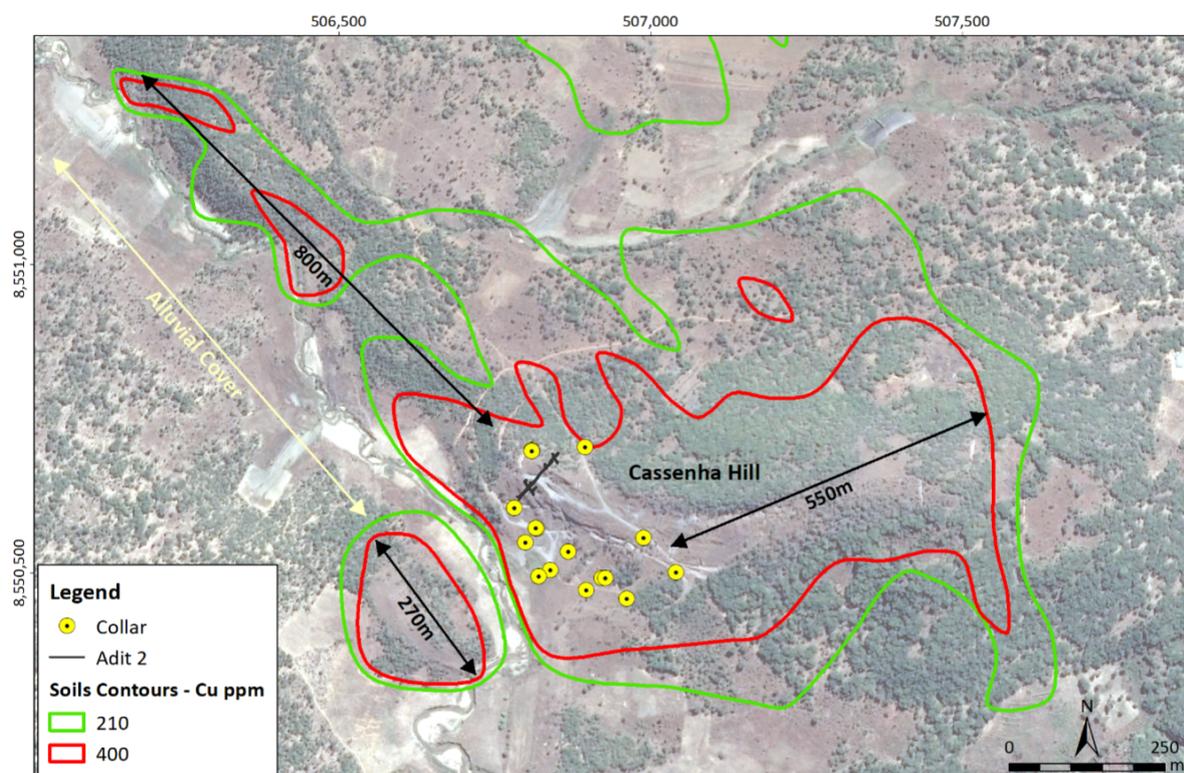


Figure 14: Cassenha Hill drilling over a 400m strike length within the high tenor copper in soil anomaly

that extends a further 800m to the north and 550m to the east and currently untested by drilling. Note potential for untested parallel mineralised positions beneath alluvial cover.

The Cassenha Hill Copper Prospect lies along a large regional structure containing magnetite-barite and quartz veining and alteration that extends over a mapped strike length of ~4.5 kilometres (and remains open along strike to the north (Figure 15).

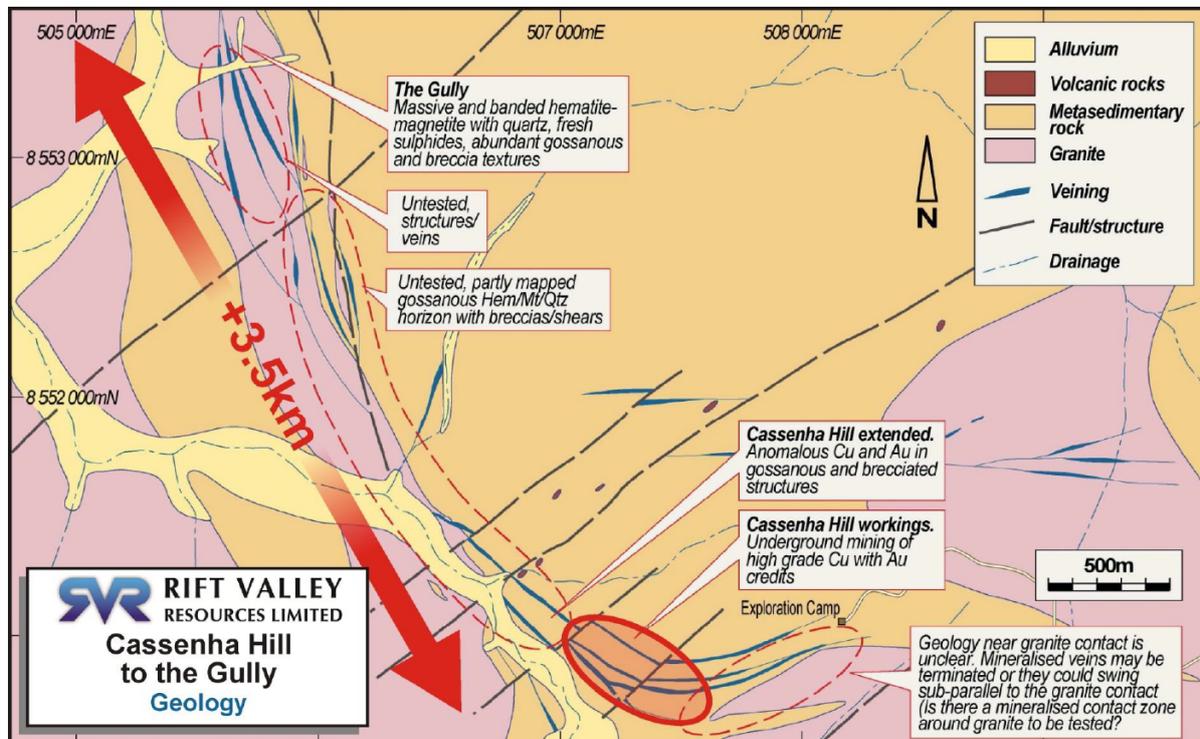


Figure 15: Cassenha Hill lies on a sparsely tested ~4.5 kilometre long structural zone of brecciated quartz-barite-magnetite along a Proterozoic sediment-granite contact

Additional targets copper exploration targets within Rift Valley's large Oxango licence include stream sediment sampling anomalies in copper and gold associated with other areas of mapped Proterozoic sediments similar to those at Cassenha Hill.

The Company will evaluate these target areas for their potential to host significant copper-gold mineralisation to add to that already discovered at Cassenha Hill with the aim to locate sufficient mineralisation to support a copper-gold mining operation at Ozango.

Corporate

Board Appointments

The Company was pleased to announce two new board appointments during and just after the reporting period.

Experienced rare earth executive Mr Dave Hammond was appointed as Chief Operating Officer and Executive Director in November 2017. Mr Hammond was most recently the Technical Director with Peak Resources Ltd for seven years where he led the exploration, resource definition and technical studies, from the second drill hole into the deposit through resource, reserve, scoping study and pre-

feasibility. Mr Hammond holds a Master of Science (M.Sc.) and a Diploma of Imperial College (DIC) from the Royal School of Mines Imperial College London. He is a member of AUSIMM and a competent person for JORC reporting.

Subsequent to Quarter end, on 17 January 2018, the Company was pleased to welcome Mr Neil MacLachlan to the Board as Non-Executive Director. Mr MacLachlan has considerable public company experience in the mining sector having been on the boards of several companies listed on the ASX, AIM and TSX. Mr. MacLachlan, has over 35 years' investment banking experience in Europe, South East Asia and Australia and has extensive experience in public company directorships. He currently serves as chairman and a major shareholder in Markham Associates, a private UK partnership, which undertakes financial consultancy and direct investment activities in the junior mining sector in Europe, Australia and South East Asia.

Mr. MacLachlan was a director of Extract Resources Ltd and Kalahari Minerals Plc. Both Extract Resources and Kalahari Minerals were the subject of successful takeovers for \$2.1billion and £651million respectively.

The Company also announced the resignation of Mr Greg Cunnold from the Board on 17 January 2018.

Placement

On 15 December 2017 the Company announced a \$1.5 million placement to institutional and sophisticated investors. The Placement comprised 50 million shares at a price of \$0.03 per share.

Tanzanian Assets

The Company has received a number of expressions of interest and has advanced its negotiations regarding the sale of its gold resource properties in Tanzania. The Board is confident a successful outcome will be forthcoming that will bring further capital into the Company to fund the exploration and development activities in Angola.

Corporate Structure and Cash at Hand

ASX: RVY

Ordinary Shares on Issue: 738.78 million (this does not include the 50m shares issued subsequent to 31 December 2017)

Unlisted performance Rights: 15 million*

Cash at Hand as at 31 Dec 17: \$0.915 million with further \$0.490m received after period end.

Unlisted Options outstanding: 159.835 million* (exercise price 4c to 6c)

52 week range¹: 2.1c to 3.5c

Liquidity: 0.655 million shares per trading day
(average over 3 months²)

Market Cap: \$22.16 million (at 3c)

*Some subject to performance and vesting criteria. ¹ from 1 January 2017 to 31 December 2017.

² Average from 1 October 2017 to 31 December 2017.

For further information please contact:

Stephen Dobson

Executive Chairman

Rift Valley Resources Limited

Tel +61 8 9221 0090

Fax +61 8 9221 0095

info@riftvalleyresources.com.au

Competent Persons Statements

The information in this report that relates to the MRE for the Project was first reported by the Company on 26 September 2017, and the Company confirms that it is not aware of any new information that materially affects the information included in the original announcement. The MRE is based on work conducted by Mrs Heather King who is a member of the South African Council for Natural Scientific Professions, a Recognised Professional Organisation included in the list posted by the ASX from time to time, and Mrs King is a Professional Natural Scientist (Pr. Sci. Nat.). Mrs King is a full time employee of Amec Foster Wheeler. Mrs Heather King has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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'. Mrs King consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

The information in this report that relates to metallurgical test work results is based on information compiled and / or reviewed by Mr Gavin Beer who is a Member of The Australasian Institute of Mining and Metallurgy and a Chartered Professional. Gavin Beer is the principal of Met-Chem Consulting Pty Limited, Rift Valley's lead metallurgical specialist and has sufficient experience relevant to the activity which he is undertaking to be recognized as competent to compile and report such information. Gavin Beer consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Geology and Exploration Results is based on information compiled and/or reviewed by David Hammond, who is a Member of The Australian Institute of Mining and Metallurgy. David Hammond is the Chief Operating Officer and a Director of the Company. He has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and the activity which he is undertaking to qualify as a Competent Person in terms of the 2012 Edition of the Australian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves. David Hammond consents to the inclusion in the report of the matters based on his information in the form and contest in which it appears.

Forward looking Statement

This release may include forward-looking statements, which may be identified by words such as "expects", anticipates, "believes", "projects" "plans" and similar expressions. These forward looking statements are based on Rift Valley's expectations and beliefs concerning future events. Forward looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Rift Valley, which could cause actual results to differ materially from such statements. There can be no assurance that forward-looking statements will prove to be correct. Rift Valley makes no undertaking to subsequently update or revise the forward-looking statements made in this release to reflect the circumstances or events after the date of the release.

Summary of Tenement Information as at 31 December 2017

Country	Project Name	License Name	License no.	% Held at 30 Sept 2017	Change	% Held at 31 Dec 2017
Angola	Ozango	Ozango Minerais SA	Nº013/03/09/T.P/A NG-MGM/2015	70%	-	70%
Tanzania	Kitongo	Ugambilo East	PL11175/2017	100%	-	100%
	Kitongo	Kitongo West	PL10655/2015	100%	-	100%
	Kitongo	Ugambilo North	PL6385/2010	100%	-	100%
	Kitongo	Mwagimagi	PL6499/2010	100%	-	100%
	Kitongo	Mwamazengo SE (2)	PL6543/2010	100%	-	100%
	Kitongo	Mwamazengo South (2)	PL6631/2010	100%	-	100%
	Kitongo	Ugambilo	PL10067/2014	100%	-	100%
	Kitongo	Kitongo	PL10068/2014	100%	-	100%
	Kitongo	Mwamazengo	PL10069/2014	100%	-	100%
	Kitongo	Isengwa Hills North	PL10060/2014	100%	-	100%
	kitongo	Busongo Northeast	PL10065/2014	100%	-	100%
	Kitongo	Gulumungu	PL10656/2015	100%	-	100%
	Kitongo	Ntalebujika	PL10660.2015	100%	-	100%
	Miyabi	Miyabi Dyke	PL8933/2013	100%	-	100%
	Miyabi	Miyabi South New	PL10149/2014	100%	-	100%
	Miyabi	Miyabi South 2 West	PL9782/2014	100%	-	100%
	Miyabi	Miyabi North	PL10908/2016	100%	-	100%
	Miyabi	Miyabi Airport New	PL10556/2015	100%	-	100%
	Miyabi	Mwabombo	PL10836/2016	100%	-	100%
	Miyabi	Miyabi Airport	PL6593/2010	100%	-	100%
Mtemi	Chunya	PL9780/2014	100%	-	100%	
Mtemi	Chunya	PL9899/2014	100%	-	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

Rift Valley Resources Limited

ABN

86 121 985 395

Quarter ended ("current quarter")

31 December 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(680)	(1,307)
(b) development	-	-
(c) production	-	-
(d) staff costs	(139)	(262)
(e) administration and corporate costs	(202)	(371)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	(1,021)	(1,939)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(4)	(4)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'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)	-	-
2.6 Net cash from / (used in) investing activities	(4)	(4)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
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	-	-
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 shares to be issued)	1,010*	1,010
3.10 Net cash from / (used in) financing activities	1,010	1,010

*A further \$0.490m was received subsequent to period end.

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	930	1,848
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,021)	(1,939)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(4)	(4)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	1,010	1,010
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	915	915

5. Reconciliation of cash and cash equivalents 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	915	930
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	915	930

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
88
-

Director and Consulting fees for the 31 December 2017 quarter.

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
-
-

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <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.		

--	--

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	126
9.5 Administration and corporate costs	195
9.6 Other	-
9.7 Total estimated cash outflows	621

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	-	-	-	-
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:


Company secretary

Date: 31 January 2018

Print name: Scott Mison

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.