

VYSARN LIMITED QUARTERLY ACTIVITIES REPORT



Vysarn Limited (ASX: VYS) previously MHM Metals Limited (the Company) is pleased to provide the following Quarterly Activities Report for the period ended 31 December 2017.

Corporate

There were no major quarter events during the December 2017 quarter.

At the end of the quarter the Company had 549,912 shares in KIN Mining NL.

Ms Kyla Garic was appointed as Company Secretary and Mr Justin Mouchacca resigned from his position as Company Secretary.

All resolutions from the Annual General Meeting held on the 30 November 2017 were approved by shareholders, as a result effective from 5 December 2017 the Company name changed from MHM Metals Limited (ASX:MHM) to Vysarn Limited (ASX:VSY).

Subsequent to the end of the quarter Vysarn Limited received a \$406,722 R&D Tax incentive refund for the 2016/2017 financial year.

Business Development

With its significant cash reserves, the Company continues to review a number of potential opportunities that may be suitable for an acquisition by the Company to facilitate the reinstatement of the Company's shares to trading on ASX.

Trading in VSY shares will remain suspended on ASX until such time as the Company has identified a suitable new opportunity and has met the necessary requirements under ASX Listing Rule 11.1 that may apply in relation to the opportunity (including re-complying with Chapters 1 and 2 of the ASX Listing Rules, to the extent required).

END

For more information:

Peter Hutchinson
Chairman
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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

VYSARN LIMITED (Formerly MHM Metals Limited)

ABN

66 009 144 503

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	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(63)	(79)
	(e) administration and corporate costs	(64)	(129)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	11	30
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	-
1.8	Other - Realised gain	16	16
1.9	Net cash from / (used in) operating activities	(100)	(162)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) equity 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) equity investments	142	142
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other	(15)	(15)
2.6	Net cash from / (used in) investing activities	127	127

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 (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	6,833	6,926
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(100)	(162)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	127	127
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	(31)
4.6	Cash and cash equivalents at end of period	6,860	6,860

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	6,860	6,833
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	6,860	6,833

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	46
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	

Payment for non executive director fees amounting to \$36,000. The Company also paid \$10,000 to Bellanhouse Legal in relation to legal services provided by the Company. Bellanhouse Legal is an entity associated with former Director Mr Bryn Hardcastle.

7. Payments to related entities of the entity and their associates	Current quarter \$A'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	

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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.		

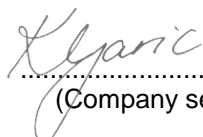
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9.	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	-
9.2	Development	-
9.3	Production	-
9.4	Staff costs	-
9.5	Administration and corporate costs	72
9.6	Other (provide details if material)	-
9.7	Total estimated cash outflows	72

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: Kyla Garic

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.