



SYMBOL
MINING

ASX: SL1

31st July 2018

SYMBOL MINING LIMITED

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Company

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Company Secretary

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Directors:

Mr. Andrew Simpson

Mr. Barry Bolitho

Mr. Ian McCubbing

Mr. Anthony McIntosh

Second Quarter Report 2018

Highlights for the three months ending 30 June 2018.

Symbol on track for commercialisation of Macy project:

- Mining commenced at Macy high grade Zn and Pb project
- Successful oversubscribed capital raising of A\$3M
- Execution of Offtake & Marketing Agreement and USD\$3M loan facility
- Full Funding of Macy Project
- Approval of Mining Lease
- Approval of Environmental Impact Assessment
- Approval of Environmental Protection and Rehabilitation Plan
- Approval of the Community Development Agreement

Symbol Mining Limited (ASX:SL1), (“Symbol” or “the Company”) provides the following summary of Company activities for the 2018 June Quarter.

Symbol made significant progress and achieved major milestones during the Quarter. Mining commenced at the Macy Project following full licensing approval which is a reflection of the capability of the Symbol team and the ongoing support from our Imperial Joint Venture (“IJV”) partners, the Nigerian Mining Cadastral Office, and our mining contractor, PW Nigeria.

Symbol remains on track to deliver its first shipment of high-grade zinc direct shippable ore (“DSO”) in the September Quarter. This will enable the Company to self-fund ongoing exploration and expand the resources within the Imperial JV, plus provide significant growth opportunities by allowing the Company to secure additional tenements targeting high-grade zinc and lead deposits in H2 of 2018.

SOCIAL PERFORMANCE

During the Quarter there were no reportable Lost Time Injury (“LTI”) incidents. Several training and educational programs were rolled out in preparation for the commencement of mining and establishment of safety procedures onsite.

The Company made significant progress during the Quarter, with the approval of the Environmental Impact Assessment (“EIA”) and approval of Environmental Protection and Rehabilitation Plan (“EPRP”) from the Federal Ministry of Environment.

In April 2018, an agreement was made with local community members and stakeholders, which finalised the Community Development Agreement (“CDA”). The CDA is a critical requirement under the Nigerian Mining Act for a successful lodgement of the Mining Lease application. Many social initiatives have already commenced, with the first of three fresh water bore and pumps installed within the local community centre, allowing access to clean drinking water for the community of ~ 500 people.

Also, significant work was completed for construction of the US\$600,000 bridge in preparation for the annual wet season, with all foundations and bridge deck fabrication completed. Installation of the bridge is still expected to be completed during the middle of Q3 2018. The bridge will have a significant positive impact to the community, allowing year-round access to medical facilities.

As required for the granting of the Mining Lease, land access agreements were made with several existing land users. Compensation payments were determined by Governmental valuers, to ensure adequate and fair relocation compensation payments were made. For safety reasons due to the proximity to mining operations, several families were required to be relocated, which has been done with support from the local community heads.

MACY SCOPING STUDY

On 11 May 2018, the Company completed a Scoping Study for the Macy Project. The Scoping Study reported highly encouraging results from the development of the Company's 60% owned Macy Deposit within the Imperial Project. Key results from the base case financial model are:

- Approximate A\$20.3 million Life of Mine (LOM) free cash flow for Symbol's 60% share of the Imperial JV.
- LOM production of 90,242t for 38,100t of shippable product (28,250t of Zn (50%), 2,900t of Pb (60%) and 6,950t of mixed product (30% Zn).
- Total working capital funding requirement of approximately A\$5 million (US\$3.8 million) to be funded from existing debt and equity.
- Initial Life of mine (LOM) is approximately 12 months.

The Macy Scoping Study assumes a zinc price of US\$3,200/t, lead price of US\$2,200/t & mixed product price of US\$580/t shipped from Lagos with a long-term foreign exchange rate of US\$1.00 : A\$0.75. For full information on the Macy Study refer to the Macy Scoping Study released to the ASX on 11 May 2018.

MACY OPERATIONS

The Company remains on track to deliver the commercialisation of the JORC Resource at the Macy Deposit.

On 6 July 2018, Symbol announced it had been granted a 25 year Mining Lease (ML 27599), covering the Macy, Aisha and other highly prospective exploration targets within the Imperial JV exploration licenses. Subsequently, several key operational appointments were made, together with the engagement of reputable mining contractor, PW Nigeria. All equipment and technical staff have been mobilised to the Macy operation.

The Company commenced mining in June 2018 and mining progressed in accordance with the production schedule outlined in the Scoping Study, with a total of 17.3kbcm moved in the Quarter.



Image 1 – Macy project looking North East



Image 2 – Installed water bore in Gwana Community

During the Quarter, all pre-stripping activities were completed, including the construction of haulage routes, final waste dump footprints and ROM pad and process facility areas were also established. All approvals are in place with magazine and explosive permits expected in Q3.

Mine infrastructure construction progressed during the Quarter with the completion of medical facilities, 65-person accommodation units, mobile equipment workshop, fuel and oil storage facilities, kitchen and mess facilities and security infrastructure. Several key items such as the explosive magazine, onsite laboratory and weighbridge will be completed in Q3 in preparation for first shipment.

Macy operations are on track for first shipment late in Q3, several logistic proposals are being evaluated for selection of the key logistic partner, with several opportunities available for shipment through the Lagos port, the largest by volume in West Africa. There may be a possibility in the near future to utilise the yet to be completed Lekki free trade zone to the east of Lagos port, which would greatly reduce costs and transport times due to being outside the Lagos transport route.

While global zinc prices have subsided in recent months, there remains a global shortage of high quality zinc concentrates, and particularly in China where treatment charges continue to decline, in an effort to attract treatable ores. The anticipated very high quality of the Symbol ore will ensure the Company will be able to achieve and maintain a fully sold position for the foreseeable future.

EXPLORATION AND GROWTH

During the Quarter, CSA Global was engaged and visited both the Imperial Joint Venture and Tawny Joint Venture tenements to review structural controls and interpretation of the mineralisation of the Benue Trough. CSA has identified multiple potential structures and drill targets which could lead to mineralisation and provide for a defined regional target generation model, to focus on the priority targets the Benue Trough which spans up to 500km in length.

From the structural interpretation completed and site visit by the CSA Global Structural Geologist, a regional exploration strategy has been developed including initial testing of further exploration targets within the Imperial Joint Venture tenements. It is expected that drilling should recommence in Q4 following the Macy Project's first shipment and generation of cash for the self-funding of exploration programmes.

Additionally, CSA Global has accomplished significant work in the collaboration of geophysics data and existing literature and production records from various sources. From this compilation of existing data, the opportunities of other commodities are becoming known, with the initial target generation of future tenements and or acquisitions.

EXPLORATION OF THE TAWNY PROJECT

Given the historical production and mineralisation at the Tawny Project, the Company intends to undertake an initial mapping programme to define the extent of the mineralisation in Q3 and it is anticipated that a follow-up drill program will be undertaken late 2018.

CORPORATE

On 16 May 2018, the Company announced an over-subscribed AUD\$3.0 million Placement (before costs) from sophisticated and professional investors for the issue of 100,000,000 fully-paid ordinary shares at AUD\$0.03 ("Placement"). The Company also provided a free attaching listed option for each share issued under the Placement (on a 1:1 basis) exercisable at \$0.045 on or before 30th June 2020 ("Listed Options"), subject to shareholder approval.

The Placement attracted strong support from existing shareholders and brokers, as well as participation of new shareholders, reinforcing Symbol's robust business case and long-term strategy to transition to a mid-tier mining company.

During the Quarter, the Board issued 7,000,000 free unlisted incentive options to directors and senior executives with an exercise price of \$0.0364 (being a 30% premium to the 5 day VWAP on the day of issue) expiring on 21 June 2022 (4 years), which was approved by shareholders at the Annual General Meeting held on 22 May 2018.

Subsequent to the end of the Quarter, the Company executed an Offtake and Marketing Agreement with Noble Resources International Pte Ltd for its shipping and sales program to commence from Q3 2018. The Offtake and Marketing Agreement secures the final funding requirements for the development of the Macy Project with a short term US\$3 million loan facility.

Full scale mining recently commenced at the Macy Project following approval of the Mining Lease and after a relatively short development period is expected to generate strong cashflow for debt repayment and to provide the ongoing funding for the Company's exploration activities.

TENEMENT SUMMARY

During the Quarter, the Company's Joint Venture Partner, Goidel Resources applied to the Mines Cadastre Office to renew Exploration Licence ("EL") 18448 that expired on 13 May 2018. Imperial JV has as an option to acquire EL18448, subject to the completion of a drilling program of at least 4,000 meters before 31 December 2018. It is expected that the renewal of EL18448 will be issued during August 2018 and the Company is not aware of any reason why the renewal of the tenement will not be granted to Goidel Resources in due course.

The Company was also granted ML27599 (Imperial JV), during the Quarter which expires on 20 June 2043.

The Tenement summary is attached.

Tim Wither
Chief Executive Officer

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About Symbol Mining

Symbol Mining Limited (ASX:SL1) is an Australian based exploration and mining company, which has acquired significant and highly prospective tenements in Nigeria (Refer Figure 4 for project locations). The Company is focused on exploration and commercialisation of high margin Zn and Pb projects. Two of the Company's key project areas are detailed as follows:

- Imperial - Three exploration leases and three small scale mining leases, spanning 510km². The project is a joint venture with partner Goidel Resources Limited (40% partner) which has been based in Nigeria for over 20 years. Of significance is the Macy site with initial JORC results showing world class grades of Zn and Pb
- Tawny - One exploration lease covering 7km². The project is a joint venture with Adudu Farms Nigeria Limited (40% partner), and is also highly prospective for Pb and Zn

Appendix 1 – Tenement Holdings as 30 June 2018.

Tenement	Registered Holder	Location	Symbol Ownership at the end of the Quarter	Symbol Beneficial Interest held in (Farm-in and transfer Agreements) at the end of the Quarter	Symbol Interest acquired during the Quarter	Symbol Interest disposed during the Quarter	Symbol Beneficial Interest (Farm-in and transfer Agreements) acquired during the Quarter	Symbol Beneficial Interest (Farm-in and transfer Agreements) disposed during the Quarter
Imperial JV								
ML 27599**	Imperial JV Ltd	Nigeria	60%	-	60%	-	-	-
EL 18444	Imperial JV Ltd	Nigeria	60%	-	-	-	-	-
EL 18445	Imperial JV Ltd	Nigeria	60%	-	-	-	-	-
EL18448	Goidel Resources Ltd	Nigeria	-	-	-	-	-	60% *
SSML 20137	Goidel Resources Ltd	Nigeria	-	60%	-	-	-	-
SSML 20138	Goidel Resources Ltd	Nigeria	-	60%	-	-	-	-
SSML 20139	Goidel Resources Ltd	Nigeria	-	60%	-	-	-	-
Tawny JV								
EL 19242	Tawny JV Ltd	Nigeria	60%	-	-	-	-	-

* Note: During the Quarter EL18448 expired and therefore no interest in the Tenement was held at the end of the Quarter, however an application to renew EL18448 has been lodged and it is expected that the renewal of EL18448 will be granted during August 2018. There was no change or reduction to the Company's beneficial interest to EL18448 during the Quarter.

** Note: ML 27599 - Number of Cadastre Units – 23 (4.6 Km2)
 Local Government Area – Bauchi State, Alkaleri
 Effective Date – 21 June 2018 Expiry Date - 20 June 2043
 Issue Date – 12 July 2018

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

Symbol Mining Limited

ABN

50 161 989 546

Quarter ended ("current quarter")

30 June 2018

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	(1,590)	(2,312)
(b) development	(180)	(180)
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(294)	(1,130)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	(1)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(2,064)	(3,624)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(257)	(583)
(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 (Cash disposed of on deconsolidation of subsidiary companies)	-	-
2.6 Net cash from / (used in) investing activities	(257)	(583)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	1,881	1,881
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	(113)	(488)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	(12)	(206)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (Payment to Administrator under DOCA))	-	-
3.10 Net cash from / (used in) financing activities	1,757	1,187

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	1,214	3,447
4.1a Adjustment to opening cash	-	222
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(2,064)	(3,624)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(257)	(583)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	1,757	1,187

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	649	649

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	649	1,214
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)	649	1,214

Note 1: at the end of the Quarter the Company also held \$1,052,000 in trust (after expenses) being the balance of funds raised from the Placement announced on 16 May 2018, which was released from trust on 16 July 2018 following the completion of the 2nd tranche.

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
161
-

6.1 Includes the Non-Executive, Executive fees and applicable superannuation.

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	

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.		

Note 2: Subsequent to the end of the Quarter, the Company executed an unsecured \$US 3 million loan facility with Noble Resources International Pte. Ltd with a term of up to 12 months (1 July 2019) on terms and conditions usual for a facility of this nature. Refer to the release to the ASX on 16 July 2018 for further details.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	
9.2 Development	(530)
9.3 Production	(2,945)
9.4 Staff costs	
9.5 Administration and corporate costs	(1,071)
9.6 Loan funds (Note 2)	4,000
Balance of May 18 capital raising funds (Note 1)	1,052
9.7 Total estimated cash outflows	(506)

Mining exploration entity and oil and gas exploration entity quarterly report

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	EL 18448 Nigeria	Goidel Resources Limited – 100% ownership expired during the Quarter Note: The renewal of the EL18448 is expected in the next Quarter and there has been no change to the Company's beneficial interest and right to acquire EL 18448 during the Quarter	60%	0%
10.2	Interests in mining tenements and petroleum tenements acquired or increased	ML 27599 Nigeria	Grant of Mining Lease to Imperial JV Limited	0%	60%

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: *Patrick McCole*
(Company secretary)

Date: 31 July 2018.

Print name: Patrick McCole

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.