



## Quarterly Activities Report Period Ending 30 June 2018



### Gorno Zinc Project

- Feasibility Study for Gorno Phase 1 “Starter” Project under way and due Q4 2018.
- Key development team appointment of Sergio Di Giovanni as Alta’s Study Manager.
- Independent consultants engaged – AMC (Mining) and Lycopodium (Processing).

### Exploration

- Further definition of Gorno’s multiple Exploration Targets near the Zorzone Resource.
- Geophysical study commissioned to better define the extent of the newly identified Pian Bracca sulphide zone (approximately 300m to the east of the current resource).
- Salafossa Zinc Project – initial site visit of old mine tailings and exploration potential.
- Punta Corna Cobalt Project – preliminary Environmental Impact Study approved for EL application over this historic cobalt mining area in the Piedmont region of Italy.

### Corporate

- Completed \$3 million private placement (before costs) to professional and sophisticated investors introduced by Arete Capital Partners (Arete).
- Arete’s CEO, Campbell Olsen, appointed to the Board of Alta Zinc. Advisory Panel established including internationally recognised Mining & Finance professionals.

Alta Zinc Limited (ASX: AZI) (“Alta” or the “Company”) is pleased to provide its Quarterly Activities Report for the period ending 30 June 2018.

## Gorno Zinc Project, Northern Italy

### Phased Development Strategy

During the Quarter, Alta’s activities focused on the primary aim of restarting mining operations at Gorno, near Bergamo in the Lombardy region of northern Italy, with the initial goal being to complete a Feasibility Study necessary for achieving a funding decision.

The Company has adopted a phased development strategy, with Phase 1 focused on exploiting the accessible high-grade sulphide zones within the current Zorzone Resource, to produce a premium zinc sulphide concentrate and a lead sulphide concentrate. In this “starter” phase of the overall development strategy, the plan is to minimise the development time and upfront capital costs by utilising the existing infrastructure to the maximum extent possible including basing the processing plant where the old processing plant is located and by reusing the existing adit.

In Phase 2, the focus will be to deliver significant project scale enhancements after commissioning of Phase 1. It is envisaged that this will be accomplished through operating multiple mine headings and increasing the initial plant throughput capacity for modest incremental capital expenditure.

This will be dependent on adding to the existing resource. Alta intends to achieve this by drilling the zones identified near to the current Zorzone Resource, in particular the new Pian Bracca zone identified 300m to the east of Zorzone and further to the east at Fontanone. Refer Figure 1 below.

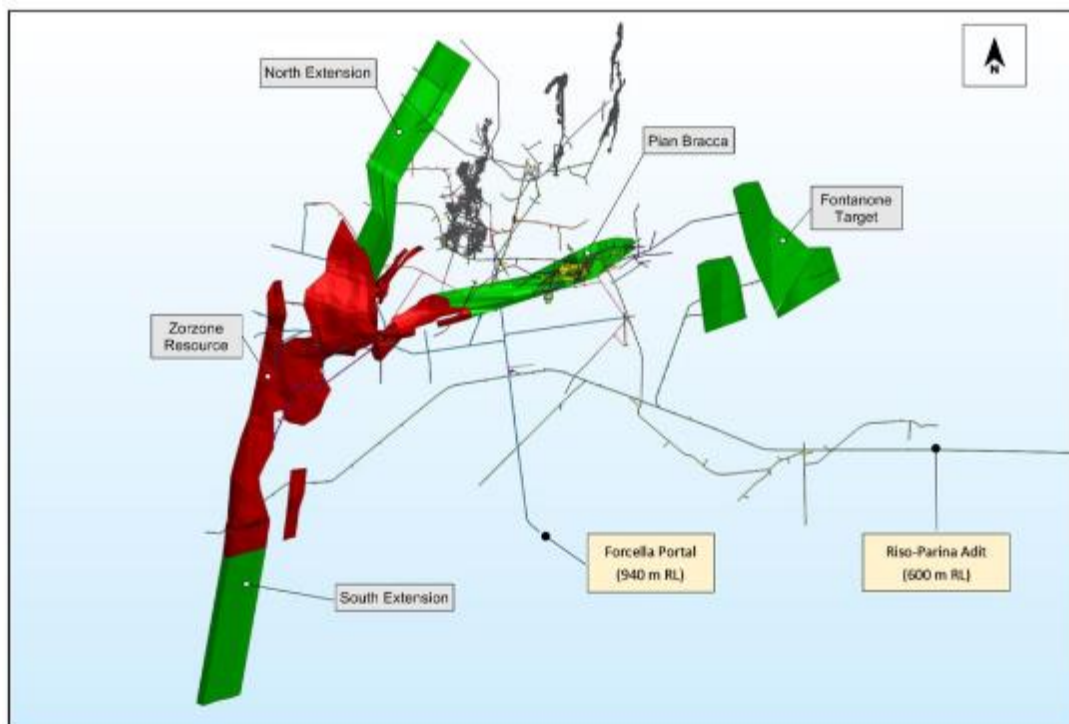


Figure 1: Zorzone Mineral Resource, Mineralised Extensions & Targets

## Feasibility Study Under Way

During the Quarter, the Company defined a Feasibility Study scope which will be sufficient to achieve a reserve sign-off based only on the current Zorzone Resource. Alta also completed key appointments for the study team and started work on the study work streams.

Alta aims to complete the Feasibility Study in Q4 2018.

Following the appointment of Mr Sergio Di Giovanni as Study Manager, detailed processes were initiated to define the scopes of study, establish timelines and budgets and engage independent consultants. These processes were all concluded during the Quarter and the Feasibility Study commenced.

Funding for the Feasibility Study is provided for through the recent \$3 million placement arranged under the strategic alliance with Arete Capital Partners (Arete).

With Arete's assistance, an Advisory Panel has been established to assist with non-binding guidance on the engineering, technical, commercial and project finance aspects relevant to development of the Project.

### Phase 1: Starter Project Scope

The conceptual parameters envisage a conventional flotation plant to be located at the historical Riso site, near the town of Gorno. The nominal mining rate will be determined taking into consideration the existing underground mine infrastructure and the available mining methods. For the processing facility, the design throughput rate will assume that ore will be pre-concentrated by ore-sorting and that the plant will only treat sulphide material. The plant design will be modular to accommodate future expansion by addition of milling and flotation capacity.

#### Mining:

Mine development will comprise accessing, re-opening and minimal upgrading of access ways, ore passes and ventilation related to existing workings of the underground mine.

The primary mine access will be via the existing 940mRL decline. Material movements between the 940mRL and the Riso rail level (600mRL) will be via an ore pass until the ramp system linking these levels is developed.

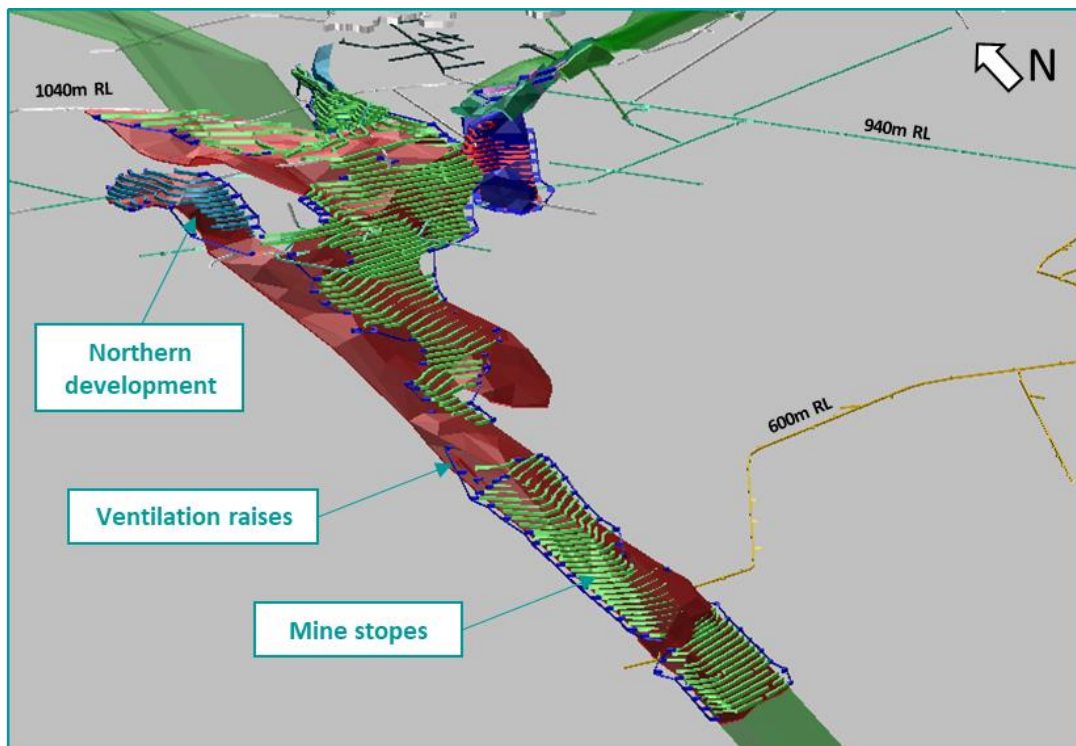


Figure 2: Preliminary mine design for the current Zorzone Resource

The main declines are to be developed progressively so that the required number of stopping levels are available to meet ore production requirements. Ore development headings will be constructed within the various ore zones, accessing the higher-grade stopping blocks.



**Figure 3: Entry to the Riso-Parina tunnel**



**Figure 4: Interior view of Riso-Parina tunnel**

All material mined will be delivered to the crushing circuit, which will be located underground and will consist of crushing, ore-sorting (pre-concentration) and stockpiling.

#### **Processing:**

The pre-concentrated ore is then to be transported in rail cars through the Riso-Parina tunnel to the surface flotation plant to be constructed at Riso.

The upgraded ore is to be milled and classified before being processed by a sequential flotation circuit to produce a lead sulphide and a zinc sulphide concentrate.

The final tailings, combined with waste from the ore-sorters and additional waste from underground mining, will be used for backfilling mined stopes.

The Project's proximity to existing infrastructure provides adequate housing, power, communications, water and sewerage services that will be available to the Project.

### **Key Project Appointments**

#### **Sergio Di Giovanni – Study Manager**

Mr Di Giovanni is a dual Italian/Australian citizen, holds a Bachelor of Science, Mineral Science (Extractive Metallurgy) from Murdoch University, Perth, Western Australia, and is a member of the Australasian Institute of Mining & Metallurgy (AusIMM). He has a wealth of experience gained from more than 28 years in operational and project development positions with small to mid-tier gold and base metals mining projects in Australia, Africa, Middle East (Saudi Arabia), Honduras, Dominican Republic, Spain, Norway, Mexico, Armenia, Indonesia, Philippines, and Italy.

Following a detailed review, the Company appointed the following key consultants for the Feasibility Study:

**AMC Mining Consultants (AMC)** – to undertake the Mining, Backfill Design and Scheduling elements of the Feasibility Study. AMC's primary scope includes development of geotechnical parameters for mine planning and mine design, backfill and waste rock management, mining infrastructure design, preparation of the site water balance and water management systems, and preparation of the mine design and scheduling.

**Lycopodium Pty Ltd (Lycopodium)** – to undertake the Metallurgy & Process Engineering Design elements of the Feasibility Study. The Lycopodium scope includes metallurgical test work review, underground crushing and ore-sorting design, surface infrastructure design, including water delivery and power supply systems, detailed development of Capex and Opex costs, and preparation of a Project Implementation Plan.

### Work Streams

In June 2018, AMC conducted a site-based geotechnical evaluation in support of the detailed mine design. This included check-logging of drill holes, and a review of the condition of the existing underground development including the Riso-Parina tunnel. Suitable samples were able to be selected from the available drill core for assessment of rock mass strength and were delivered to Milan-Bicocca University for laboratory testing. Metallurgical test work has been initiated for the Feasibility Study aiming to establish grind requirements, confirm flowsheet design and optimise the reagent regime.

All workstreams are currently progressing within the proposed timeline to complete the Feasibility Study in Q4 2018.



Figure 5: Alta’s team working with geotechnical (AMC) & geophysical consultants in the Oltre il Colle office

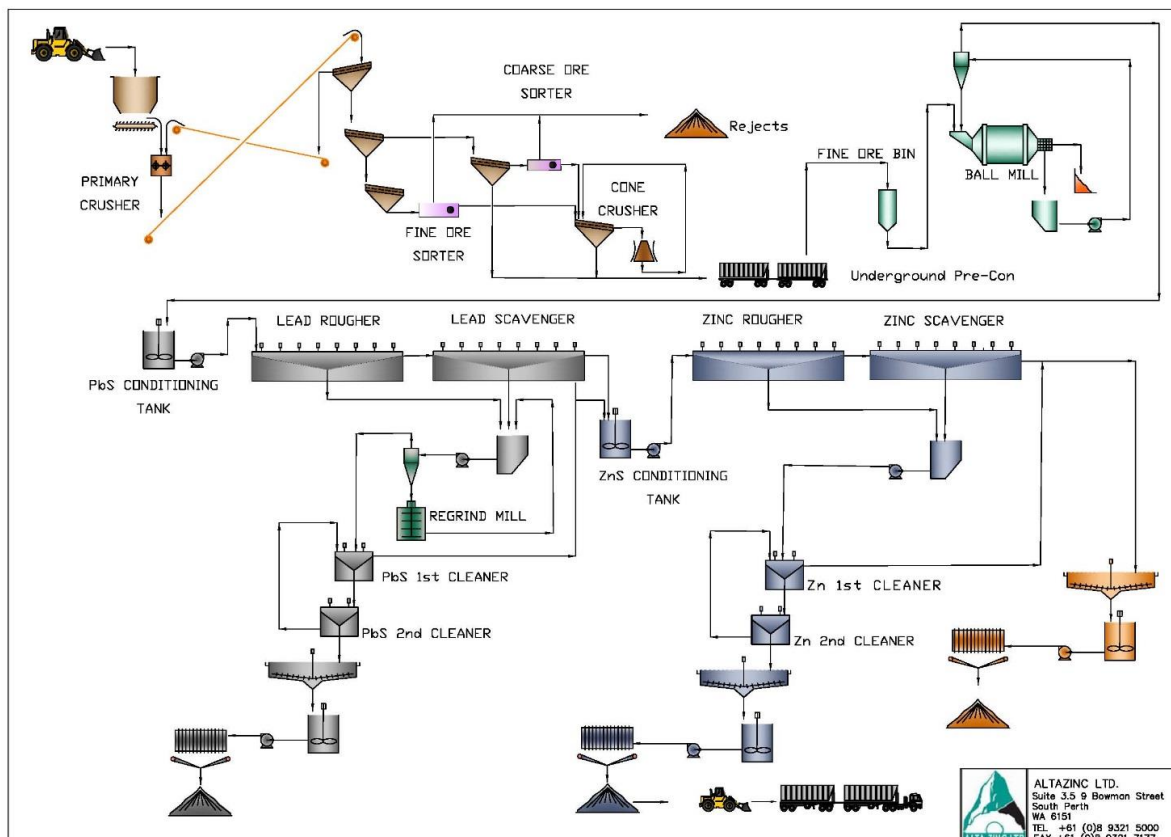


Figure 6: General Processing Plant Flowsheet

## Pian Bracca Sulphide Zone

The recently identified Pian Bracca sulphide zone has become a key focus of exploration given its thickness, channel sampling assay results<sup>1</sup> as well as its proximity to Zorzone and the existing infrastructure. Exploration success at Pian Bracca could potentially provide future Mineral Resources required to support Phase 2 of Alta's development strategy for the Gorno Project. The mineralised zone at Pian Bracca, about 300m to the east of Zorzone, occurs over multiple levels from 1040mRL to 1028mRL. Based on visible evidence within the drives the overall thickness of the mineralised package is interpreted to range from 6m to 14m.



**Figure 7: Resistivity survey underground and surface activity**

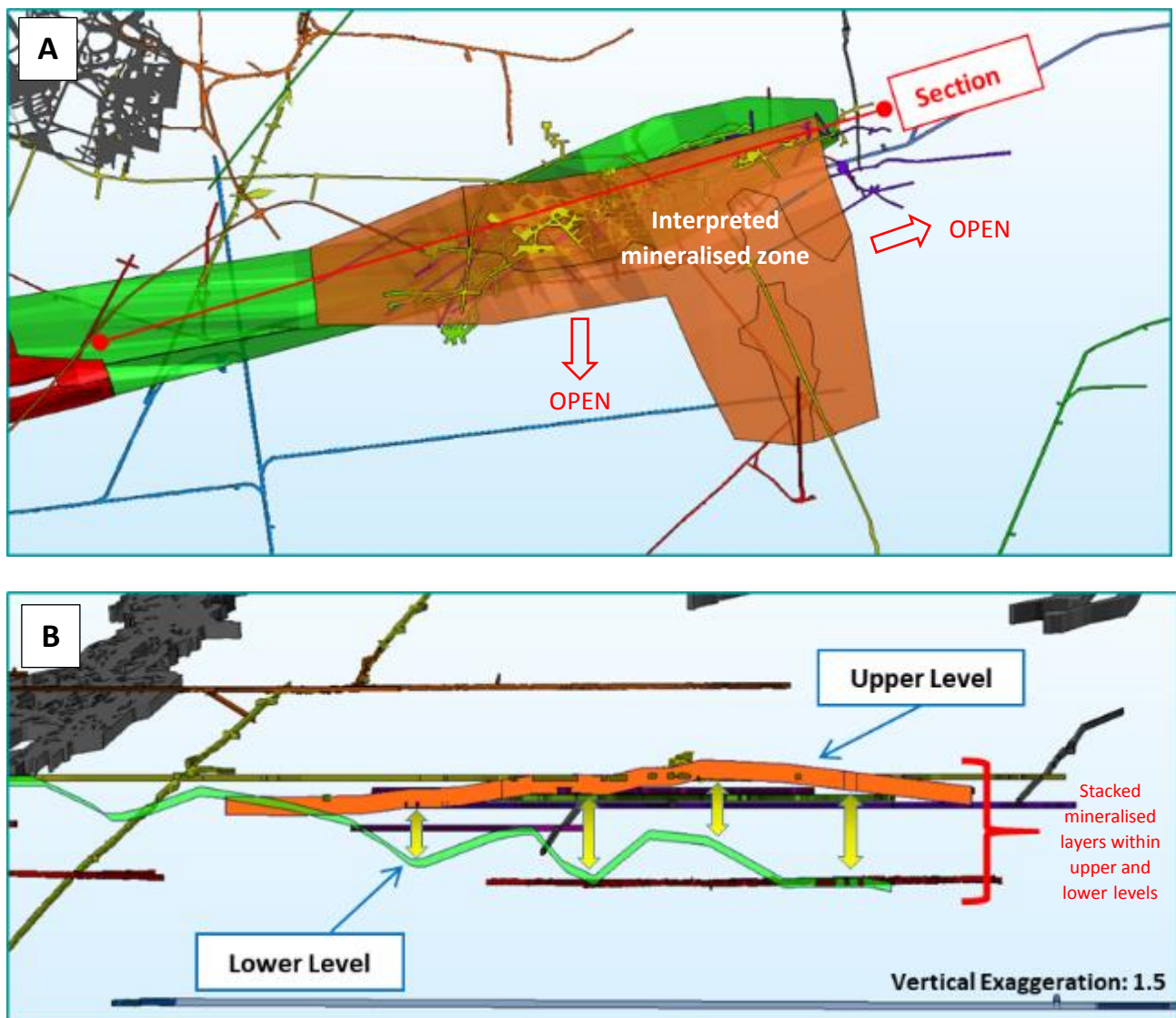
Due to its thickness, the upper portion of Pian Bracca was partially mined in the past using the room and pillar bulk mining method. The zone appears to strike east-west and gently dips to the south. Historical drilling by SAMIM in 1971-1975 shows that the mineralisation also remains open to the east and down dip. Geological observations suggest there is vertical continuity from recognised zones of mineralisation at 990mRL up to the 1040mRL drive.

During the Quarter, a geophysical resistivity survey was commissioned with the aim of better defining the extension of the mineralised body beyond the known adit surface exposures, and also to verify the continuity of the mineralisation between the lower and upper levels. This continuity offers potential for bulk mining.

The geoelectrical survey will cover an area of approximately 10 hectares (0.1km<sup>2</sup>), with a vertical extent from surface to the lower mine level at 940mRL. The survey consists of pole-pole Applied Potential ('Mise à la Masse') and IP measurements performed using either in-mineralisation and out-of-mineralisation current injection points. The current poles will be located underground, whereas the Voltage and IP measurements were performed either at surface and underground, thus allowing a 3D mapping of voltage and polarisability.

Preliminary results indicate a significant correlation between the known orebodies and the electrical conductivity and chargeability anomalies. The ongoing data processing and interpretation aim at reconstructing the three-dimensional extent of the mineralised horizons and, possibly, to locate unknown ones. Target generation will be supported by the historical drilling results. Final results and interpretation of the survey are expected to be available early in the next Quarter.

<sup>1</sup> For full details of the sampling campaign, please refer to ASX announcement titled "Newly Identified Sulphide Zone at Pian Bracca Confirms Resource Expansion Potential at Gorno Zinc Project" on 19 March 2018.



Figures 8: Pian Bracca Target - (A) Plan view of interpreted EW Mineralisation; (B) Vertical section showing lower mineralised level & recently defined upper level<sup>2</sup>

### ***Punta Corna Cobalt Project (EL Application), Northern Italy***

The Punta Corna Project area covers old cobalt mining sites in the Punta Corna mountain area in the Usseglio municipality, Piedmont region of northern Italy.

The peak of historic mining activity occurred during the so-called Age of Cobalt (1753-1823). According to archival records, the mines produced approximately 55 tonnes of cobalt that were exported to Wurttemberg in Germany as dye medium (cobalt blue).

The EL application area includes a number of steeply dipping veins outcropping in a NNW-SSE striking regional lineament, forming part of brittle deformation events that affected greenstone formations (metabasites of the Piemonte Zone). In these fractures, believed to be generated at the end of the Alpine orogeny, hydrothermal fluids circulated and deposited Co-Fe-Ni as well as siderite.

<sup>2</sup> For full details of the sampling campaign, please refer to ASX announcement titled "Newly Identified Sulphide Zone at Pian Bracca Confirms Resource Expansion Potential at Gorno Zinc Project" on 19 March 2018.



Figure 9: Punta Corna Project in relation to other Alta Zinc Project locations

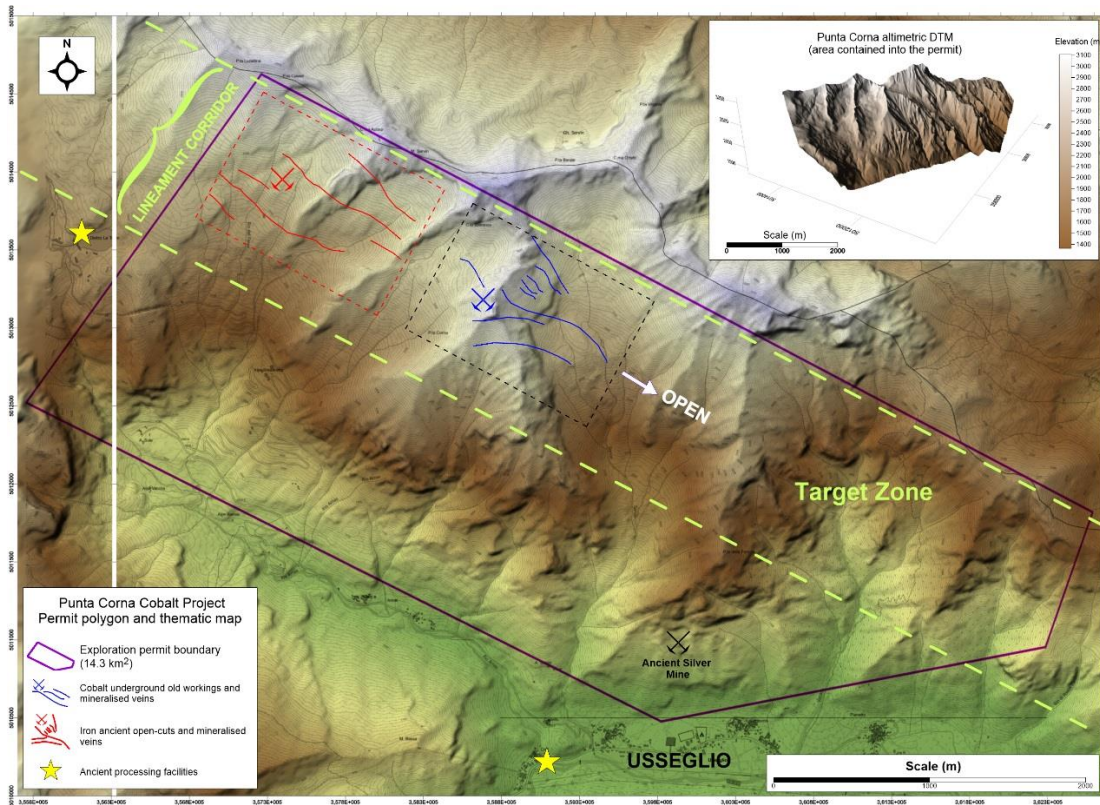


Figure 10: Punta Corna Project map, showing the location of the ancient mining districts & mineralised trends

During the Quarter, notice was received that the preliminary Environmental Impact Statement lodged with the Minister of Environment in Rome has received a “no-objection” decree, and preliminary preparations have been undertaken to satisfy archaeological monitoring and related reporting requirements in anticipation of permission to commence sampling during the summer months.



## Salafossa Zinc Project, Northern Italy

Alta holds an EL covering the historic Salafossa Mine located in northern Italy. Salafossa was discovered in 1957 and mined by Societa Mineraria e Metallurgica di Pertusola SpA from 1964 until its closure in 1986 due to depletion. During the mine's life Salafossa produced 11Mt of sulphide ore grading 5% zinc and 1% lead at an average production rate of approximately 500,000 tonnes per annum.

Salafossa comprised a single sub-horizontal, Mississippi Valley Style (MVT) deposit that supported historical production from a single mineralised body with dimensions of 750m in length, 50m-200m wide and 50m-100m thick. This facilitated mining by large-scale open stoping, typically a low-cost mining method. Potential exists for structural repeats of the mineralisation, both vertically and horizontally, as has been proven to be the case for Gorno and in similar MVT deposits.

During the Quarter, the Company successfully applied for the Salafossa EL area to be reduced from 990ha to 884ha, to exclude a community area. A "work plan" was prepared and a detailed review undertaken of historical reports and maps at the Regione Veneto mining archives, with all data digitised.

A site inspection was undertaken of the accessible drives of the old Salafossa mine workings. At the 1,120m mine entry level the drives are in relatively good condition. However, the tunnel network joins several backfilled rooms which contain liquid tailings and are sealed by concrete walls. At the upper levels, access to the rooms was restricted or not possible for safety reasons. Limited exposures of primary mineralisation were evidenced and reconnaissance samples were collected.

Pending the resolution of the logistics to effectively sample the backfilled rooms, it is considered that there is significant potential for the tailings to contain volumes of mineralised waste that may warrant further investigation and study.



Figure 11: Salafossa sulphide sample (from dumps)



Figure 12: Typical brecciated fabric seen at Salafossa

The Val Visdende mineralised area is situated approximately 1km to the north of the Salafossa mine and was identified from drilling undertaken by the previous mine operator Pertusola in 1983. The area was visited to verify the accessibility to the target zone for mapping, surface sampling and drilling. The pads of the historical drill holes were identified at the base of the slopes along the Visdende River and are still accessible and suitable for twin drill holes.

Further to the north, two more areas suitable for exploration drill holes were identified. However, due to the topography and seasonal river water flow, the location along the eastern slope of the Visdende Valley is challenging for surface mapping and stream sediment sampling. It is therefore proposed that further work, dedicated to detailed mapping and sampling, should be undertaken during the dry season.

## ***Predil***

The EL application at Predil is still being processed by the Regione Veneto. No work was carried out on this project during the period.

## ***Other Exploration Projects – Australia***

### ***McArthur Project - Northern Territory***

The project encompasses three tenements totaling 1,238km<sup>2</sup>. One tenement (EL31045) is granted. The grant of the remaining two applications is pending the outcome of discussions with Traditional Owners. During the Quarter, notification was received that the meeting scheduled to be held with the Northern Land Council in August 2018 to progress the discussions has been deferred to September 2018.

Given this situation, no further work was carried out during the period. Alta is continuing to consider options with regards to the future of the project, including potential joint venture opportunities.

### ***Paterson Project - Western Australia***

The Paterson Project comprises two granted tenements (E45/4534 and E45/4543) covering 219km<sup>2</sup>. The two tenements cover highly prospective parts of the Broadhurst Formation and include the Eva Well prospect. No work was carried out on this project during the period. It is anticipated that a detailed gravity survey of these tenements will be undertaken in 2018.

## ***Corporate***

During the Quarter, the Company entered into a strategic alliance with Arete Capital Partners (“Arete”), a globally focused natural mining and resources private equity group.

On 19 April 2018, the Company completed a placement to professional and sophisticated investors introduced by Arete to raise \$3 million (before costs). Mr Campbell Olsen, the Chief Executive Officer of Arete, was appointed as a Non-executive Director of the Company.

Following the completion of the placement the undrawn Loan Facilities of \$250,000 each provided by Mr Alexander Burns and Mr Marcello Cardaci were cancelled in accordance with the facility terms.

### **Cash Balance**

Cash on hand as at 30 June 2018 was approximately \$2.37 million. Please refer to the attached Appendix 5B for further information.

### **Issued Capital**

As at 30 June 2018, the Company had 1,368,965,708 fully paid ordinary shares on issue and 30,750,000 unlisted options. On 16 July 2018, the Company announced the proposed offer of 26,500,000 unlisted Incentive Options (Options) to certain Eligible Participants under the 2015 Employee Incentive Plan.

## ***Tenements***

Current tenement holdings, tenements disposed of and acquired during the Quarter are shown in the attached Tables 1 to 3.

For and on behalf of Alta Zinc Limited.



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## **About Alta Zinc Limited**

Alta Zinc Limited owns 100% of the historic Gorno Zinc Project, near Bergamo in the Lombardy region of northern Italy. The Company is committed to resuming mining activities, taking advantage of strong local support, excellent metallurgy, established infrastructure and favourable zinc market conditions. The Company also has an extensive zinc and base metals exploration portfolio in Italy and Australia. The Bergamo region of Italy has a long history of mining extending back to the Pre-Roman (Celtic) times. The Gorno underground zinc mine ceased operations in the early 1980s following a government directive for its then-owner SAMIM (a state-owned company and part of the ENI group) to focus solely on oil and gas. The intrinsic mineral economics had little to do with Gorno's premature closure, rather SAMIM was directed by the government to divest all its mineral projects globally and focus exclusively on oil and gas.

### **Competent Person Statement**

Information in this release that relates to Exploration Targets and Exploration Results is based on information prepared or reviewed by Dr Fabio Granitzio, a Competent Person who is a Member of the Australian Institute of Geoscientists. Dr Granitzio is a full-time employee of Alta Zinc Limited. Dr Granitzio has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activities 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". Dr Granitzio consents to the inclusion in this release of the matters based on their information in the form and context in which it appears.

The information in this release that relates to Mineral Resources is based on, and fairly represents, the Mineral Resources and information and supporting documentation extracted from the report, which was prepared by Mr Stephen Godfrey as Competent Person in compliance with the JORC Code (2012 edition) and released to ASX by the Company on 8 December 2017. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original Announcement. All material assumptions and technical parameters underpinning the Mineral Resource estimates in that previous release continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original Announcement.

Project	Tenement	Entity's Interest	Comments
<b>Western Australia</b>			
Moses Chair	E45/4534	100%	Granted
Broadhurst Range	E45/4543	100%	Granted
<b>Northern Territory</b>			
McArthur	EL 25272	100%	Application
McArthur	EL31045	100%	Granted
McArthur	EL31046	100%	Application
<b>Italy</b>			
Novazza	N/A	100%	Application
Val Vedello	N/A	100%	Application
Gorno – Monica Concession	Decree 845	100%	Granted
Gorno – Vedra	Decree 5846	100%	Renewal Application
Gorno – Zambra West	Decree 2869	100%	Granted
Gorno – Riso	Decree 3365	100%	Granted
Gorno – Parina	Decree 1995	100%	Granted
Predil	N/A	100%	Application
Salafossa	Decree 1481	100%	Granted
Punta Corna	N/A	100%	Application

**Table 1: Schedule of mining tenements held**

Area of Interest	Tenement	Entity's Interest	Comments
Gorno – Pano Orso	N/A	100%	Application Withdrawn
Gorno – Oltre Il Colle	N/A	100%	Application Withdrawn
Gorno – Zambra South	N/A	100%	Application Withdrawn
Gorno – Riso West	N/A	100%	Application Withdrawn
Gorno – Brembo	N/A	100%	Application Withdrawn
Gorno – Serio	N/A	100%	Application Withdrawn
Gorno – Pano Orso	N/A	100%	Application Withdrawn

**Table 2: Schedule of mining tenements reduced**

Area of Interest	Tenement	Entity's Interest	Comments
Punta Corna	N/A	100%	Application

**Table 3: Schedule of mining tenements increased**

## 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

ALTA ZINC LIMITED

### ABN

63 078 510 988

### Quarter ended ("current quarter")

30 JUNE 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1	8
1.2 Payments for		
(a) exploration & evaluation	(568)	(2,474)
(b) development	-	-
(c) production	-	-
(d) staff costs (see item 6.1)	(193)	(1,086)
(e) administration and corporate costs	(160)	(605)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	7
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(919)</b>	<b>(4,150)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(2)	(9)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	(9)	(22)
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-

## Mining exploration entity and oil and gas exploration entity quarterly report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
	(b) tenements (see item 10)	-	-
	(c) investments	-	59
	(d) other non-current assets	-	45
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>(11)</b>	<b>73</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	3,000	6,132
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	(204)	(261)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(65)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>2,796</b>	<b>5,806</b>

<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	517	648
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(919)	(4,150)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(11)	73
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,796	5,806
4.5	Effect of movement in exchange rates on cash held	(13)	(7)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>2,370</b>	<b>2,370</b>

## Mining exploration entity and oil and gas exploration entity quarterly report

<b>5. 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	303	472
5.2 Call deposits	2,067	45
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,370</b>	<b>517</b>

**6. Payments to directors of the entity and their associates**

	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to these parties included in item 1.2	211
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	

6.1 Remuneration of the Executive Chairman/CEO and Finance Director plus Non-Executive Director fees. \$130k.

Payment of \$72.5k quarterly Advisory Support Fee to Arete Capital Partners Pty Ltd (Arete) in accordance with the Strategic Alliance Agreement. Arete is an associate of Mr Olsen, Non-Executive Director.

Payment of \$8k to Gilbert + Tobin Lawyers for legal services. Mr Cardaci, Non-Executive Director, is a partner of Gilbert + Tobin. These legal services were not provided by Mr Cardaci.

**7. Payments to related entities of the entity and their associates**

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

*Add notes as necessary for an understanding of the position*

	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	nil	nil
8.2 Credit standby arrangements	-	-
8.3 Other (please specify) – Bank Guarantee	13	13

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.

## Mining exploration entity and oil and gas exploration entity quarterly report

- 8.1 On 26 June 2018, the Company agreed to terminate the Loan Facilities provided in March 2018 by Alex Burns, Executive Chairman/Chief Executive Officer and Marcello Cardaci, Non-Executive Director. Under the Loan Facilities, Mr Burns and Mr Cardaci each agreed to provide a \$250,000 loan facility to the Company for working capital purposes. The Loan Facilities were undrawn at termination.
- 8.3 The facility is associated with an unconditional bank guarantee provided by the National Australia Bank. The guarantee is provided by way of a fully utilised finance facility secured by a fixed term cash deposit. No interest is currently paid on the facility.

9. Estimated cash outflows for next quarter		\$A'000
9.1	Exploration and evaluation	820
9.2	Development	-
9.3	Production	-
9.4	Staff costs	230
9.5	Administration and corporate costs	150
9.6	Other (provide details if material)	-
<b>9.7</b>	<b>Total estimated cash outflows</b>	<b>1,200</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	<b>Gorno Project</b> Pano Orso, Italy Oltre Il Colle, Italy Zambra South, Italy Riso West, Italy Brembo, Italy Serio, Italy	Application Withdrawn Application Withdrawn Application Withdrawn Application Withdrawn Application Withdrawn Application Withdrawn	100% 100% 100% 100% 100% 100%	- - - - - -
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

## Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.



Sign here: .....  
(Director/Company secretary)

Date: 31 July 2018

Print name: Jamie Armes



**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.