



Altech Chemicals
Limited

QUARTERLY REPORT

June 2018

Altech received mezzanine debt term sheet

- US\$ 90 million indicative mezzanine debt term sheet received
- Follows extensive preliminary project due diligence
- Global investment banking group

Final payments made for Johor site

- Final instalments for Malaysian high purity alumina (HPA) plant site now paid
- Secures the 4ha industrial land site within the Tanjung Langsat Industrial Complex
- 30 year lease with option to renew for an additional 30 years

Malaysian manufacturing licence received

- Manufacturing licence received for 4,500tpa HPA plant
- HPA project represents total investment in Malaysia of 1.2 billion ringgit
- Strong support from Malaysian Investment Development Authority (MIDA) and the Johor and Malaysian governments

Forecast surge in HPA demand from lithium-ion battery sector

- HPA joins lithium, cobalt, nickel and copper as a recognised key input to lithium-ion batteries
- Higher battery energy density is driving migration to HPA coated battery separators
- Adoption of nickel based battery cathodes underpinning transition to HPA coated separators
- Significant increase in forecast HPA powder demand to 2025
- Altech ideally positioned to capitalise on forecast increase in HPA demand

US\$ 60m stream finance term sheet signed

- US\$ 60 million stream finance term sheet executed
- Structured alternate financing option
- Works in conjunction with off-take sales arrangement
- Global investment firm with US\$ 4.5b under management

A\$ 20m capital raising to commence HPA plant construction in Malaysia

- Share placement raises A\$ 17 million
- Share Purchase Plan to raise up to an additional A\$ 3 million
- Funds will be used to commence construction in Johor, Malaysia
- Strong support from a range of institutional and professional investors

Stage 1 Construction Agreement executed for Johor plant

- Stage 1 works construction agreement executed with SMS group
- Works to occur in parallel with project financial close
- Bulk earthworks, retaining walls, storm water tanks, foundation piling and maintenance building
- Majority of the A\$ 10 million site works credited against US\$ 280 million EPC contract

HPA Site clearance completed

- Altech completes HPA site clearance works at Johor, Malaysia
- Key development milestone for Altech's HPA project

Altech received mezzanine debt term sheet

The Company received an indicative non-binding mezzanine debt term sheet for up to US\$ 90 million from an international investment bank for its proposed high purity alumina (HPA) project during the quarter. The mezzanine facility would complement a US\$ 190 million senior debt package with German government-owned KfW IPEX-Bank announced by Altech in February 2018. Since then, the Company has been working with a number of advisors to secure the balance of funds for the Project, which is one of the conditions precedent to draw-down on the senior debt. One of the work streams being pursued by the Company and its advisors is a mezzanine debt facility of up to US\$ 120 million, which will be subordinate to the senior debt.

The investment bank has already conducted preliminary due diligence on the Company's HPA project, including accessing the Company's data room which contains detailed project information and various due diligence reports commissioned by the senior lender, KfW IPEX-Bank. The investment bank is a diversified financial services group with a global presence and more than US\$ 300 billion in assets under management. As is customary with these types of transactions, the public disclosure of the bank's name and the proposed lending terms remain confidential at this point in time.

From the outset, the Company has been targeting 'vanilla' mezzanine debt from top tier lenders. This approach does take longer and involves a higher level of scrutiny (due diligence), however in the long run securing mezzanine debt from top tier providers will be a far better outcome for the Company and shareholders.

Final instalment payments made for Johor site

The Company paid final instalments totalling A\$ 5.1 million for ~4 hectares of industrial land within the Tanjung Langsat Industrial Complex, Johor, Malaysia during the quarter. The final payments secured the site for the Company's proposed high purity alumina (HPA) plant. The Company expects to receive a deed of title from the Johor state government for the land (30 year lease, with the option to renew for an additional 30 years) soon.

The ~4 hectare industrial site is located in a section of the Tanjung Langsat Industrial Complex that is designated for chemical processing facilities. As previously announced, Altech selected Johor, Malaysia as the location for its proposed HPA plant based on significant economic and development benefits, including the ready availability of required consumables such as hydrochloric acid, limestone, quicklime, power and natural gas – all at highly competitive prices. The availability of skilled labour, proximity to an international container port and international airports (Johor Bahru and Singapore), and the various investment incentives on offer such as a 5-year corporate tax benefit are other important advantages of the selected location.



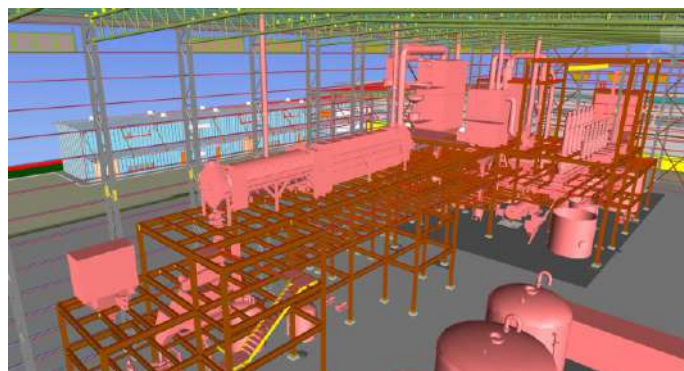
Malaysian manufacturing licence received

The official manufacturing licence for the Company's proposed 4,500tpa high purity alumina (HPA) plant in Johor, Malaysia was received during the quarter.

In February 2018 the Malaysian Investment Development Authority (MIDA) advised the Company that its application for a manufacturing licence ("ML") had been approved and that the ML would be issued subject to the submission of various additional documents, including a letter of 'No Objection' from the Johor state government. The Company received a letter of 'No Objection' from the Johor State Investment Centre in relation to the formal issuance of the manufacturing licence during the quarter. The Company has now received the official manufacturing licence.

The Company is delighted with the support for its HPA project demonstrated by MIDA and the Johor and Malaysian governments. The prompt issue of Altech's manufacturing licence application is testament to their support for the proposed HPA plant, which will represent a total investment of approximately 1.2 billion ringgit in Malaysia.

Figure 1. Malaysian HPA Plant Development Stages
Malaysian Investment Development Authority (MIDA)



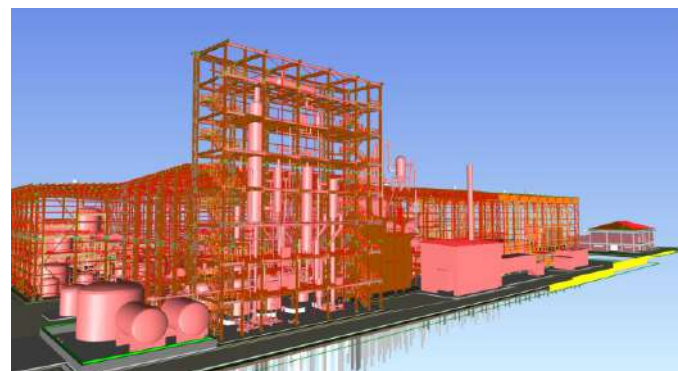
US\$ 60 million stream finance facility term sheet signed

The Company executed an indicative non-binding term sheet for a US\$ 60 million stream finance facility from a US based global alternative investment group during the quarter.

A stream finance facility is a structured alternative financing product whereby the facility provider agrees to advance a facility amount in exchange for a percentage of future gross sales. The facility term sheet that Altech has received contemplates a US\$ 60 million advance, with funds able to be applied to the development, construction and working capital requirements of the Company's HPA project. The facility will be structured to operate in conjunction with Altech's 10-year off-take sales arrangement with Mitsubishi Australia and for repayment over the life of the project. The term sheet remains subject to additional due diligence, the agreement of binding terms and to various bank, regulatory and board approvals. The facility will also need to be acceptable to the senior debt provider (KfW IPEX-Bank) and any mezzanine debt provider. As is customary with these types of transactions, the terms remain confidential at this point in time.

Forecast surge in HPA demand driven by lithium-ion battery sector

The Company provided information on the faster than expected migration by lithium-ion battery manufacturers to the use of high purity alumina (HPA) coated battery separators during the quarter. Updated independent forecast by various groups are extremely bullish for HPA powder demand and exceed previous



HPA Critical to the Lithium-ion Battery Sector

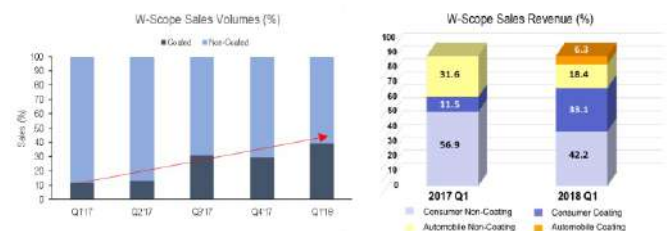
Of late, there has been considerable media coverage of presentations at natural resources industry conferences that have focused on the forecast unprecedented demand for lithium-ion battery materials and forecast pending shortages. Lithium, cobalt, nickel and copper have attracted much of the attention, as these are four of the key raw materials used in lithium-ion batteries. Most recently, however, conference speakers have for the first time added HPA to the list. As an example, at the May 2018 Sydney mining conference, CRU senior consultant Mr Toby Green told conference delegates in his presentation on lithium-ion battery (LiB) growth commodities that "it's not cobalt, lithium or even nickel sulphate, it's high-purity alumina (HPA)". Mr Green went on to say that "HPA is a huge growth story, albeit one emerging off a low base in the form of the estimated US\$1.1 billion HPA market". Mr Green said that HPA ran a close second to lithium in terms of the projected scale of the impact of LiB demand on an existing battery mineral commodity up to 2025, with a plus 60% growth forecast. "The eyes of the car companies turn from time to time and they've landed at the moment on HPA," Mr Green said. A more detailed report of Mr. Green's address is available on the Company's web site.

This trend was evident when Altech attended the Battery Show Europe in Hanover, Germany on 15 May 2018. The Battery Show is Europe's largest trade fair for advanced battery technology. The market share of ceramic-coated separator is growing fast, and of the ceramics HPA still dominates the market. Many coating technology and equipment suppliers exhibiting at the show reported excellent sales growth to battery makers. It has also been reported that some lithium-ion battery makers have been purchasing uncoated PE/PP battery separator sheets and separator coating equipment, then applying HPA to separators in-house.

The apparent trend towards the use of HPA coated separators by lithium-ion battery manufacturers has been recognised previously and was reflected in early HPA demand forecasts. However recent information suggests that the transition to HPA coated separators is occurring at a rate surpassing earlier forecasts. A HPA demand inflection point may be fast approaching as the penetration rates of HPA coated battery separators accelerates.

A current example of the penetration and take-up rate of HPA coated separators is from the Japanese publicly listed (Tokyo) battery separator sheet manufacturer, W-Scope. W-Scope, in its Q1-2018 results announced that HPA coated battery separator sheet sales made up 39% of all coated separator sheet sales; a ~350% increase from the same quarter in 2017. In addition, the revenue from automotive industry coated sheets accounted for 6.3% (Q1-2017 <0.5%) revenue from consumer coated separators (electronic) was 33.1% (Q1-2017 11.5%).

Figure 2 – W-Scope sales of HPA coated separators by volume (%) and by value (%)



The superior safety characteristics of HPA coated separators, especially in larger batteries such as those in EV's, but also in consumer electronics such as lap-top computers, tablets and hand-held battery packs will likely attract the attention of regulators, especially as battery energy density continues to increase. As a consequence, it is not inconceivable that HPA coated separators will be broadly adopted across all lithium-ion battery categories and/or potentially made mandatory.

Table 1 – Separator HPA demand forecast 2025

Organisation	Separator HPA Demand Forecast 2025 (tpa)	Equivalent Number of Altech HPA Plants
Altech Chemicals	15,102 (est. June 2016)	3.4 x
Petra Capital	37,500 (est. March 2018)	8.3 x
CRU Consulting	76,000 (est. May 2018)	16.9 x
Average	42,867	9.5 x

Updated HPA Demand Outlook

In June 2016 Altech announced its in-house forecast separator HPA demand of 15,102tpa from the lithium-ion battery sector by 2025 (refer ASX Announcement dated 21 June 2016). A research report released by Sydney based Petra Capital Pty Ltd on 19 March 2018, titled “HPA Critical to Lithium-ion Battery Market” (available on the Company's web site), independently forecast that the lithium-ion battery manufacturing sector would consume ~23,000tpa of HPA by 2025 (mid case), with a bull case of ~37,500tpa demand for 2025.

More recently (May 2018), London based global commodity consulting and analysis group CRU Consulting (CRU), applying its robust “bottom-up” analysis and rich electric vehicle industry data base, forecast bullish demand of 76,000tpa in 2025. The CRU forecast represents a 9-fold increase in HPA separator demand from 2017.

Based on the three separate HPA demand forecasts, the average estimated demand for separator HPA is 42,867tpa in 2025, which is roughly equivalent to nine and a half (9.5) proposed Altech plants at 4,500tpa. See Table 1.

Table 2 – Total HPA demand forecast by 2025

Organisation	Total HPA Demand tpa 2025	Equivalent Number of Altech Plants
Persistence	62,519tpa	14 x
Petra Capital	122,000tpa	27 x
CRU Consulting	92,900tpa	20 x
Average	92,473tpa	20 x

Whilst the forecast growth in separator HPA demand is exciting, core established HPA demand growth is from production of synthetic sapphire for use in the manufacture of Light Emitting Diode's (LED's), in semiconductor manufacturing and the fabrication of specialty glass. Currently, around 56% of HPA use is from this sector, which is growing at an unchanged 15-16% compound annual growth rate (CAGR).

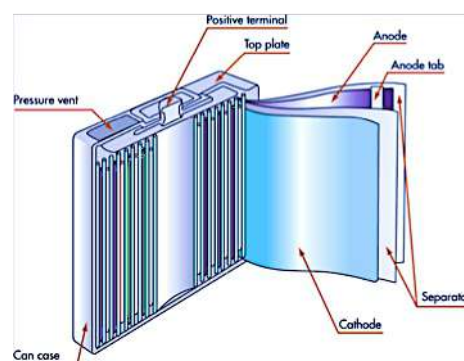
The total HPA demand by 2025 (including separator HPA) is estimated by Persistence (KfW IPEX-Bank market consultant) at 62,519tpa. Petra Capital and CRU have estimates of 122,000tpa and 92,900tpa respectively. See Table 2. The average estimate of total HPA demand is 92,473tpa by 2025 which is roughly equivalent to twenty (20) proposed Altech plants at 4,500tpa.

HPA demand growth in the LED sector has long been acknowledged and understood; this growth is however now complemented by HPA demand growth in the lithium-ion battery industry, specifically from battery separator sheet manufacturers. As evident above, most of the battery sheet separator manufacturers are based in Japan where our off-take partner Mitsubishi Corporation is based, or in Korea. Altech together with Mitsubishi is well positioned to meet this rapidly expanding demand sector for HPA. The timing for construction of Altech's proposed HPA plant in Malaysia appears perfect, with two parallel streams of near-term HPA demand growth now apparent.

HPA Coated Separators

The major application of HPA in a lithium-ion battery is as a sub-micron particle size (fine powder) coating on separator sheets that divide the cathode and anode electrodes within the battery (figure 1).

Figure 1 – Lithium-ion battery illustration



The anode/cathode separator sheet is a critical component within a lithium-ion battery. If the battery's cathode and anode make direct contact a highly exothermic reaction called a thermal runaway will commence and result in an extremely intense combustion event – a volatile and uncontrolled battery fire.

HPA Coated Battery Separators Uptake

Traditionally the majority of lithium-ion battery separators are based on polyethylene (PE) or polypropylene (PP), which have been adequate for incumbent cathodes such as lithium iron phosphate (LFP), lithium manganese oxide (LMO) and lithium cobalt oxides (LCO). However, with electronic devices and electric vehicles demanding ever-smaller batteries and increased energy density, the never-ending trend is towards nickel manganese cobalt (NMC) and nickel cobalt aluminium (NCA) cathodes. One of the trade-offs for a smaller, compact and more energy intense battery is higher battery operating temperature, and this is where HPA becomes extremely important.

The use of HPA coated battery separators was commercialised in around 2008 and the technology has been adopted in line with increased demand from EVs and energy storage applications. HPA-coated battery separators withstand unusually high temperature incursions, increase the battery separator's shrinkage temperatures, reduce flammability during thermal runaways, and thus make lithium-ion batteries much safer. HPA-coated battery separators also increase a battery's discharge rate; lowers self-discharge; and lengthen battery life cycles.

A\$ 20m capital raising to commence HPA plant construction in Malaysia

The Company received commitments from a variety of institutional and professional investors for a share placement of ~A\$ 17 million (before costs). Proceeds from the placement will be applied to the commencement of construction at the Company's high purity alumina (HPA) plant site in Johor, Malaysia; to finalise HPA plant engineering; for corporate purposes (including the close of project finance); and working capital. Placement shares were issued at a price of \$0.165 per share, representing a 13.2% discount to the price of the Company's shares as traded on the ASX at the close of trade on Wednesday 4 July 2018. The placement shares were issued pursuant to the pre-approval obtained from shareholders in General Meeting on 12 June 2018. Sydney based Petra Capital Pty Ltd acted as the Sole Lead Manager of the placement.

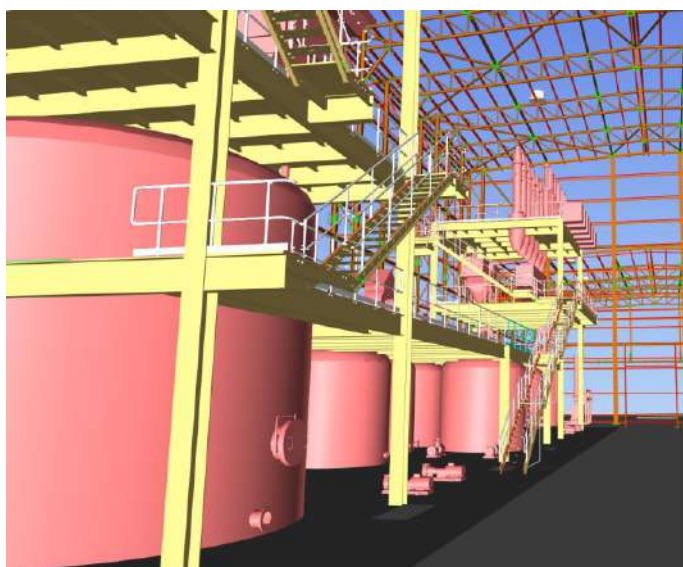
The Company also announced a Share Purchase Plan (SPP), whereby existing eligible shareholders at the record date of Friday 6 July 2018 can purchase up to an additional \$15,000 of new shares at the same price paid by participants in the share placement. The SPP will close on 31 July and is targeted to raise up to an additional A\$ 3 million.

Stage 1 Construction Agreement executed for Johor plant

In July, the Company announced that it has executed a stage 1 construction works agreement with its appointed engineering, procurement and construction (EPC) contractor SMS group GmbH (SMS) of Germany, for the commencement of construction at its Malaysian high purity alumina (HPA) plant site in Johor.

Construction work covered under the stage 1 construction agreement includes: bulk earthworks; extensive foundation piling; the construction of retaining walls; underground storm water/process discharge tanks (OSD tanks); construction of the site electrical sub-station; and construction of a maintenance workshop. The maintenance workshop will be used as the construction site offices during stage 2 of the HPA plant construction. Engineering works incorporated in the stage 1 construction program included the finalisation of layout drawings and the construction permitting process. The stage 1 agreement covers the first 6-7 months of the proposed 2-year construction period. The value of the works is approximately A\$10 million, the majority of which will be credited against the US\$280 million lump-sum fixed-price HPA plant EPC contract awarded to SMS, which is expected to commence following finance close.

Altech has decided to equity fund the stage 1 construction works to maintain project momentum and as such the works will be conducted in parallel with the close of project finance.



Site Clearance Completed

The Company announced on 27 July 2018 that it had completed clearance of the ~4Ha site for its proposed high purity alumina (HPA) plant in Johor, Malaysia. Site clearance commenced in July 2018 following the execution of the stage 1 construction agreement for the HPA plant with appointed German engineering, procurement and construction (EPC) contractor, SMS group (SMS).

Clearing of the site predominantly involved the removal of secondary re-growth vegetation; this activity was the first task in the detailed schedule of works for stage 1 construction. The completion of site clearance is another key development milestone for the Company's proposed Malaysian HPA plant; other key Malaysian development milestones are listed in the table below:

Date	Development Milestone (Malaysia)
20 Nov 2014	Following a global search, Altech selects and secures a ~4Ha site at Johor, Malaysia for its proposed HPA plant
19 Jun 2015	Environmental approval (PAT) to develop the HPA plant received
2 Nov 2016	Altech opens an office for its Malaysian subsidiary in Johor (Tanjung Langsat)
25 Nov 2016	Official lease signing ceremony with Johor Corporation, the managers of the Tanjung Langsat Industrial Complex, Johor
16 May 2017	SMS group appointed as EPC contractor for HPA plant
20 Oct 2017	Design of HPA plant finalised
21 Feb 2018	Manufacturing licence for the project was approved
22 May 2018	Final payment installments for HPA site made, securing the site via a 30 year lease
12 Jul 2018	Altech executes stage 1 construction agreement with SMS group
27 Jul 2018	Site clearance completed at Johor HPA plant site

Figure 3. Johor HPA plant site before clearing work commenced



Figure 4. Completion of site clearance work at the Johor HPA site





Altech Chemicals
Limited



QUARTERLY REPORT

June 2018

Company Snapshot

Altech Chemicals Limited (ASX:ATC) (FRA:A3Y)
ABN 45 125 301 206

FINANCIAL INFORMATION

(as at 30 June 2018)

Share Price:	\$0.20
Shares:	426.5m
Options:	Nil
Performance Rights:*	42.7m
Market Cap:	\$85m
Cash:	\$0.25m

DIRECTORS

Luke Atkins	Non-executive Chairman
Iggy Tan	Managing Director
Peter Bailey	Non-executive Director
Dan Tenardi	Non-executive Director
Tunku Yaacob Khya	Non-executive Director
Uwe Ahrens	Alternate Director

COMPANY SECRETARY/CFO

Shane Volk

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*subject to vesting conditions



Schedule of Tenements

As per ASX Listing Rule 5.3.3, the Company held the following tenements (exploration and mining leases) as at 30 June 2018:

Tenement ID	Registered Holder	Location	Project	Grant Date	Interest end of quarter
E70/4718-I	Canning Coal Pty Ltd	WA Australia	Kerrigan	01/12/2015	100%
M70/1334	Altech Meckering Pty Ltd	WA Australia	Meckering	19/05/2016	100%

ABOUT ALTECH CHEMICALS LTD (ASX:ATC) (FRA:A3Y)

Altech Chemicals Limited (Altech/the Company) is aiming to become one of the world's leading suppliers of 99.99% (4N) high purity alumina (HPA). HPA is a high-value, high margin and highly demanded product as it is the critical ingredient required for the production of synthetic sapphire. Synthetic sapphire is used in the manufacture of substrates for LED lights, semiconductor wafers used in the electronics industry, and scratch-resistant sapphire glass used for wristwatch faces, optical windows and smartphone components. There is no substitute for HPA in the manufacture of synthetic sapphire. Global HPA demand is approximately 25,315tpa (2016) and demand is growing at a compound annual growth rate (CAGR) of 16.7% (2016-2024), primarily driven by the growth in worldwide adoption of LEDs. As an energy efficient, longer lasting and lower operating cost form of lighting, LED lighting is replacing the traditional incandescent bulbs. Current HPA producers use expensive and highly processed feedstock materials such as aluminium metal to produce HPA. Altech has completed a Final Investment Decision Study (FIDS) for the construction and operation of a 4,500tpa HPA plant at the Tanjung Langsat Industrial Complex, Johor, Malaysia. The plant will produce HPA directly from kaolin clay, which will be sourced from the Company's 100%-owned kaolin deposit at Meckering, Western Australia. Altech's production process will employ conventional "off-the-shelf" plant and equipment to extract HPA using a hydrochloric (HCl) acid-based process. Production costs are anticipated to be considerably lower than established HPA producers. The Company is currently in the process of securing project financing with the aim of commencing project development in 2018.

Forward-looking Statements

This report contains forward-looking statements which are identified by words such as 'anticipates', 'forecasts', 'may', 'will', 'could', 'believes', 'estimates', 'targets', 'expects', 'plan' or 'intends' and other similar words that involve risks and uncertainties. Indications of, and guidelines or outlook on, future earnings, distributions or financial position or performance and targets, estimates and assumptions in respect of production, prices, operating costs, results, capital expenditures, reserves and resources are also forward-looking statements. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions and estimates regarding future events and actions that, while considered reasonable as at the date of this report and are expected to take place, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the directors and management. We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this report will actually occur and readers are cautioned not to place undue reliance on these forward-looking statements. These forward-looking statements are subject to various risk factors that could cause actual events or results to differ materially from the events or results estimated, expressed or anticipated in these statements.

The mezzanine debt term sheet and the stream finance facility term sheet referred to in this report and previous ASX announcements are indicative in nature; are non-binding; and in both cases contain the general terms of a proposed transaction. Any future binding commitment will be subject to and is contingent upon all internal approvals of the financial institution / facility provider, as well as the completion of due diligence (including but not limited to legal and technical due diligence) and the completion of legally binding documentation. There is no certainty that the mezzanine project debt or that the stream finance facility will be approved or that any transaction/s will be concluded based on what was presented in the term sheets. The Company makes no representations or warranties whatsoever as to the outcome of the mezzanine debt process or the stream finance facility process and/or the success of any future equity raising that may be undertaken to secure the balance of project funds required for the draw-down of senior project debt.

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

ALTECH CHEMICALS LTD

ABN

45 125 301 206

Quarter ended ("current quarter")

JUNE 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	(25)
(b) development	(259)	(7,968)
(c) production	-	-
(d) staff costs	(285)	(1,616)
(e) administration and corporate costs	(354)	(1,719)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	10	87
1.5 Interest and other costs of finance paid	-	(15)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	298
1.8 Deposits Paid	(17)	(17)
1.9 Net cash from / (used in) operating activities	(905)	(10,975)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(5,765)	(7,421)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	10
	(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	(5,765)	(7,411)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	17,905
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	-	(680)
3.5	Proceeds from borrowings	-	280
3.6	Repayment of borrowings	-	(280)
3.7	Transaction costs related to loans and borrowings	-	(10)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	17,215

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	6,931	1,432
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(905)	(10,975)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(5,765)	(7,411)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	17,215
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	261	261

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	261	6,931
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)	261	6,931

Note: Share placement and Share Purchase Plan to raise ~\$20 million announced 16 July 2018

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	165
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	

Director remuneration and rent of office premises

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	

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	-
9.2 Development	(8,000)
9.3 Production	-
9.4 Staff costs	(350)
9.5 Administration and corporate costs	(400)
9.6 Other	-
9.7 Total estimated cash outflows	(8,750)

Note: Share placement and Share Purchase Plan to raise ~\$20 million announced 16 July 2018

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:
(Director/Company secretary)Date:
31 July 2018Print name:
SHANE VOLK**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.