



ACTIVITIES REPORT DECEMBER QUARTER 2018

ASX ANNOUNCEMENT

15 January 2019

ASX Code: CMM

ABN: 84 121 700 105

Board of Directors:

Ms Debra Bakker
Non-Executive Chair

Mr Geoff Rogers
Non-Executive Director

Mr Peter Benjamin
Non-Executive Director

Mr Stuart Pether
Non-Executive Director

Issued Capital:

Shares 747.9M
Options 56.7M
Share Price A\$0.071
Market Cap. A\$53.1M

REGISTERED OFFICE:

Level 1, 28 Ord Street
West Perth, WA 6005

T +61 8 9212 4600

F +61 8 9212 4699

E enquiries@capmet.com.au

www.capmetals.com.au

HIGHLIGHTS

- Credit approved letter of offer for A\$107 million project funding facilities executed with Macquarie Bank Limited. The facilities include a senior project finance facility of A\$81 million, a bank guarantee facility of A\$19 million and a working capital facility of A\$7 million.
- Competitive tender completed for the provision of a gas-fired power station. Successful tenderer is expected to be announced in the March Quarter.
- Competitive tender completed for the supply of gas and Santos selected as the preferred supplier.
- Material terms finalised with APA on gas transportation and the construction of the gas lateral to site from the Goldfields Gas Pipeline.
- Detailed design work completed on Karlawinda Accommodation Village and preliminary design work completed on Mining Services Area.
- Identification of an additional 120km² of tenure interpreted to be underlain by prospective Karlawinda type Archean greenstone rocks.
- Geochemical sampling has now been completed over an area of approximately 450km² resulting in the identification of several priority gold-in-soil anomalies ranging up to 3km by 2.5km in area.
- Geological interpretation of the Tramore Prospect completed following confirmation of a significant zone of shallow mineralisation. A resource definition programme at the Tramore prospect is expected to commence in March.
- Subsequent to the end of the Quarter, Capricorn received a notice from two shareholders (who hold a combined 5.5% interest in the Company) requesting the Company call a meeting of shareholders, where the removal of 3 of the 4 existing Directors and appointment of 3 new Directors would be considered. The Company's Board will address this issue in an appropriate manner and will act in the best interests of all shareholders. Further information will be provided to shareholders in due course.

DECEMBER QUARTER ACTIVITIES SUMMARY

The Company is progressing activities at the development ready Karlawinda Gold Project located 65 km south-east of Newman in the Pilbara region of Western Australia. Current Mineral Resources are 1.52m ounces, including open pit Reserves of 0.89m ounces¹.

During the Quarter, the Company continued to progress the Karlawinda Gold Project. All key project approvals are in place including Native Vegetation Clearing Permit, Water Extraction Permits, Works Approval, Mining Proposal and Mine Closure Plan and Project Management Plan. An application to extend the Works Approval for a longer mine life has been submitted to the Department of Water and Environmental Regulation (the current Works Approval is valid for a 6.5-year mine life which related to the Ore Reserves at the time of application).

A competitive debt financing process was completed during the Quarter (see ASX Announcement of 13 December 2018) which resulted in the execution of a committed credit approved letter of offer from Macquarie Bank Limited to provide project facilities totalling A\$107 million. The facilities include a senior project facility of A\$81 million, a bank guarantee facility of A\$19 million and a working capital facility of A\$7 million. The facilities contain typical conditions precedent which are required to be satisfied prior to first draw down.

The Company continues to review a range of additional financing and corporate alternatives, with a view to maximising shareholder value in the Project.

A competitive tender was completed for the provision of a gas-fired power station under a Build Own Operate (BOO) structure. Discussions continued over the Quarter with two preferred parties. A Power Purchase Agreement with the successful tenderer is expected to be executed late in the March Quarter.

A competitive tender for the supply of gas was also completed during the Quarter and Santos has been selected as the preferred supplier. It is anticipated that a Gas Supply Agreement will be executed in the March Quarter.

Material terms have been finalised with APA Group for gas transportation and the construction of the gas lateral to site from the Goldfields Gas Pipeline. It is anticipated that a Gas Transportation Agreement and Development Agreement will be executed in the March Quarter.

Detailed design work was completed for the 286 room Karlawinda Accommodation Village, and initial design work completed for the Mining Services Area.

Exploration activities continued during the Quarter with regional exploration work over the 110km length of the Karlawinda Gold Project. This work consisted of systematic soil sampling and geological mapping programs and has been successful in identifying a further 120sqkm of prospective Karlawinda type Archean greenstone and several priority gold-in-soil anomalies. Geological interpretation of the Tramore Prospect was completed following confirmation of a significant zone of shallow mineralisation. A resource definition drilling program at the Tramore Prospect is being designed and expected to commence in the March 2019 Quarter with an initial resource estimate completed in the June 2109 Quarter.

¹ Capricorn report that it is not aware of any new information or data that materially affects the information included in the Ore Reserve and Mineral Resource announcement dated 29th May 2018 and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and there have been no adverse material changes.

Karlawinda Gold Project Development

PROCESS PLANT AND INFRASTRUCTURE

Survey control points have been established across the Project and detailed spot surveys of the plant and village areas have been completed. Detailed surveys for the Southern Access Road and Village Access Road were also completed during the Quarter.

MINING SERVICES AREA

Preliminary design work (30% engineering) on the Mining Services Area, utilising workshops and other associated facilities purchased from FMG Nullagine Pty Ltd (a wholly owned subsidiary of Fortescue Metals Group), was completed and a tender package for the construction has been prepared. Contractors have been invited to submit proposals for the construction of the Mining Services Area.

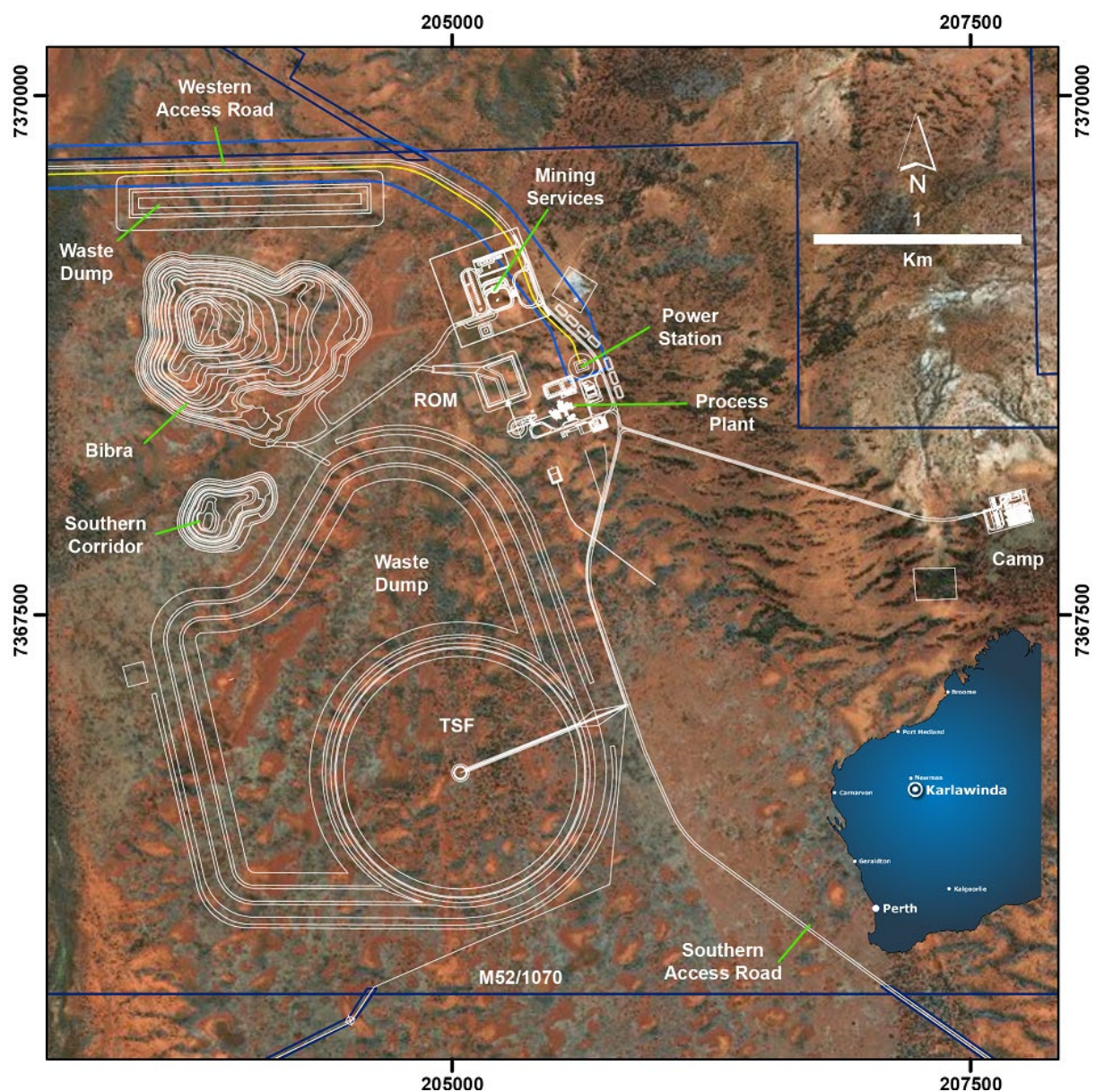


Figure 1: Karlawinda Gold Project layout

ACCOMODATION VILLAGE RELOCATION AND DETAILED DESIGN

Final design work on the 286-room Karlawinda Accommodation Village was completed by McNally during the Quarter, using the 306-rooms and associated facilities acquired from FMG Nullagine Pty Ltd. The village is currently on care and maintenance and located at Nullagine, approximately 200 kilometres north of Karlawinda.

POWER STATION TENDER

A competitive tender was held for provision of a gas-fired power station on a BOO basis. Following the completion of the tender, two proposals have been shortlisted and the selection of the preferred Independent Power Provider and award of the Power Purchase Agreement is expected in the March Quarter.

GAS SUPPLY AND PIPELINE CONSTRUCTION

A competitive tender for the supply of gas was also completed during the Quarter with a number of parties submitting proposals. Santos has been selected as the preferred supplier to supply gas for a period of five years from Project commencement. The key terms of the agreement are competitive and reflect the surplus of gas in the current market. A Gas Supply Agreement is expected to be executed in the March Quarter.

Material terms have been finalised with APA Group for gas transportation on the Goldfields Gas Transmission Pipeline from the delivery point near the Yarraloola compressor station. Material terms have also been agreed with APA Group under a BOO structure for the construction of the 56 kilometre gas lateral to the Project from a connection point on the Goldfields Gas Pipeline, located approximately 9 kilometres south of the Newman Scraper Station. The selection of APA Group follows an extensive review of alternative structures, including possible funding from the Northern Australia Infrastructure Facility to construct the gas lateral on concessionary terms. The agreement with APA Group provides a competitive economic outcome for the Project with significantly reduced execution, development and operating risk.

It is anticipated that the Gas Transportation Agreement and Development Agreement with APA Group will be executed in the March Quarter.

PERMITTING AND APPROVALS

As previously reported, all key permits for the Karlawinda Gold Project have now been finalised and received, including Native Vegetation Clearing Permit, Project Management Plan, Mining Proposal, Mine Closure Plan, Water Extraction Licence and Works Approval. In all cases, the permits have been applied for by and issued to Greenmount Resources Pty Ltd, a wholly-owned subsidiary of Capricorn Metals Ltd.

Works Approval. This licence is issued by the Department of Water and Environmental Regulation (DWER) and covers all possible emissions to the environment by the proposed development. Approval was received in August 2018, allowing for development of the initial 6.5-year mine life. An application to expand the Works Approval for the updated Ore Reserves (8.5-year mine life) was submitted during the Quarter.

Gas Pipeline Licence. This licence is issued by the Department of Mines, Industry, Regulation and Safety (DMIRS) under the Petroleum Pipelines Act 1969, and it is required prior to commencement of pipeline construction. An application for this licence was submitted in August 2018 and has cleared the public and Native Title advertising periods with no objections received. It is on schedule to be granted in the March Quarter and will be novated to APA Group following execution of the Development Agreement.

MINING CONTRACT AND UPDATED OPERATING COSTS

As announced previously (see September 2018 Quarterly Report) SMS have been selected as the preferred mining contractor to undertake drill and blast and load and haul services for the Karlawinda Gold Project. A Letter of Intent has been issued to SMS and a mining contract with SMS is expected to be executed in the March Quarter.

The decision to proceed with contract mining versus owner-operator mining, notwithstanding an increase in operating costs, was based on a number of factors including the ability to quickly deploy experienced specialist skills, which enhances operational flexibility and best practice cost efficiency. In addition, contract mining provides a material reduction in the equipment funding requirement for the Project.

As a result of changes to the diesel price² assumption, A\$/US\$ exchange rate, continued optimisation of process plant costs and a change from owner-operator to contract mining, last published in June 2018, the revised Project life-of-mine (LOM) operating costs are shown in the table below.

Item	LOM Cost (A\$M)	LOM Cost/Tonne processed (A\$/t)	LOM Cost/Ounce recovered (A\$/oz)
Mining (Contract)	\$496.5	\$18.0	\$603.0
Processing & Maintenance	\$307.9	\$11.1	\$373.9
General & Admin	\$69.1	\$2.5	\$84.0
Realization Costs	\$3.2	\$0.1	\$3.9
Sustaining Capital (incl. closure costs)	\$22.0	\$0.8	\$26.8
Subtotal	\$898.8	\$32.5	\$1091.5
Royalties & Charges³	\$70.9	\$2.6	\$86.2
All In Sustaining Cost	\$969.7	\$35.1	\$1177.8

The increase in mining costs of around A\$130/ounce is partially offset by a reduction in mining equipment capital costs of A\$46.7m (which would have been funded by equipment leases in an owner-operator option), with the associated equipment capital costs now borne by the mining contractor.

HEALTH AND SAFETY

A Site Induction presentation, Project Safety Management Plan and various other HSEC plan and procedures were completed.

PROJECT FINANCING

During the Quarter Capricorn announced that it executed a committed credit approved letter of offer from Macquarie Bank Limited for project finance facilities totalling A\$107 million, which included a senior project finance facility of A\$81 million, a bank guarantee facility of A\$19 million (of which the majority is related to the development of the gas lateral) and a working capital facility of A\$7 million to fund the majority of the construction costs of the Karlawinda Gold Project (see ASX Announcement 13 December 2018).

The selection of Macquarie is the culmination of a due diligence process undertaken over the last few months by a number of short-listed banks participating in the debt financing process, following the release of the Optimisation Study in June 2018 (see ASX Announcement dated 20 June 2018) and additional

² Diesel price assumption of A\$0.85/litre (after diesel fuel rebate and before GST). Current diesel price is around \$0.70/litre.

³ Royalties payable assume a gold price of A\$1,700/oz.

work completed on the Project since that time. Capricorn received a number of credit approved term sheets and the selection of Macquarie was based upon both quantitative and qualitative factors. The pricing, terms and conditions received from Macquarie are competitive and reflect the current low interest rate environment and their detailed understanding of the Project.

The key terms of the funding package are:

- Project Facility of A\$81 million;
- Bank Guarantee of A\$19 million (the majority of which is required as credit support for development of the gas lateral to site);
- Working Capital Facility of A\$7 million from Project Completion;
- Security is provided via a fixed and floating charge over the assets of Greenmount Resources Pty Ltd (a wholly owned operating subsidiary);
- Margin above BBSY (pre-completion and post-completion) is very competitive;
- Loan covenants are customary for a facility of this type and reflect the competitive nature of the current market;
- Five and a half year tenor with a sculpted repayment schedule over the term;
- The Facility can be repaid early at any time without restriction;
- Corporate guarantee provided by Capricorn until the achievement of Project Completion; and
- The hedging facility consists of mandatory hedging of 250,000 ounces over the term of the loan and a discretionary hedging facility. The Company will enter into the mandatory hedging upon satisfaction of certain conditions precedent and has flexibility with timing of the hedge execution.

The Facilities contain typical conditions precedent which are required to be satisfied prior to first draw down, including finalisation of material project agreements, formal facility agreements, implementation of a hedging program and minimum project equity contribution.

The Company continues to review additional financing alternatives which would maximise existing shareholders equity in the Project and minimise any potential dilution to shareholders. These discussions include, but are not limited to, discussions with the Northern Australia Infrastructure Facility to fund a proportion of the development costs on concessionary terms.

Exploration

During the Quarter, the Company undertook regional exploration work over the 110km length of the Karlawinda Gold Project. This work consisted of systematic soil sampling and geological mapping programs and has substantially expanded the prospective exploration search space by delineating a new area of prospective Archean greenstone stratigraphy, including several priority gold-in-soil geochemical anomalies.

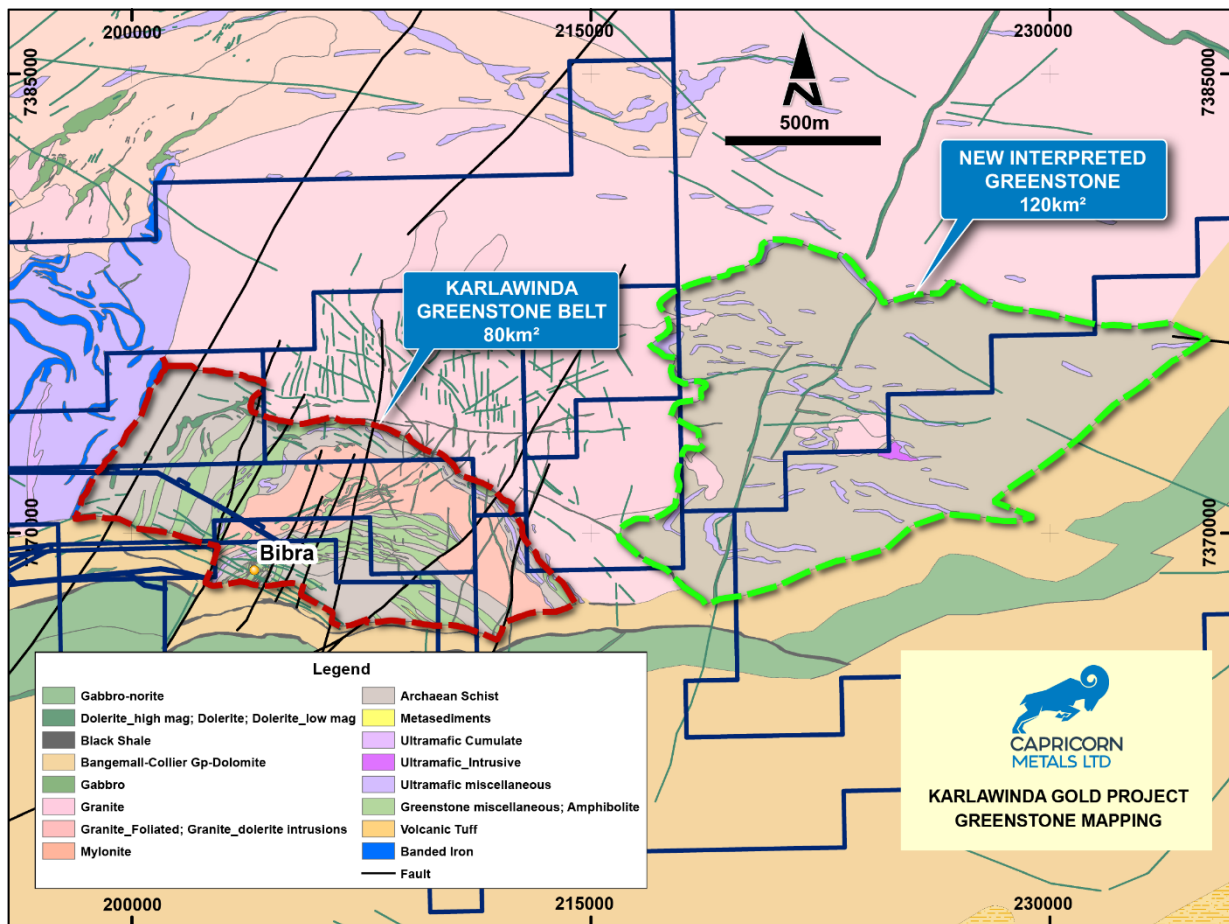


Figure 2: Location of the recently identified extension to the Karlawinda Greenstone Belt

NEW GREENSTONE REGION

Approximately 120km² of interpreted new Archean greenstone stratigraphy has been identified approximately 10 kilometres to the east of the 1.5Moz Bibra gold deposit (Figure 2). This newly-identified extension to the greenstone belt doubles the known extent of greenstone lithologies at the Karlawinda Gold Project and is considered highly prospective for gold mineralisation. This area has not been subject to any previous dedicated on-ground gold exploration and the rock types observed are interpreted to be similar to those seen within the host stratigraphy of the Bibra gold deposit. Similar metamorphic grade and structural deformation characteristics to the known area of Karlawinda greenstones are observed, suggesting rocks from both areas are the same age and have been subject to the same tectonic regime. Soil geochemistry confirms the similarities between the two areas, with the presence of the key elements which define the Bibra stratigraphy of Cu, Ni, Cr and As (Figure 3).

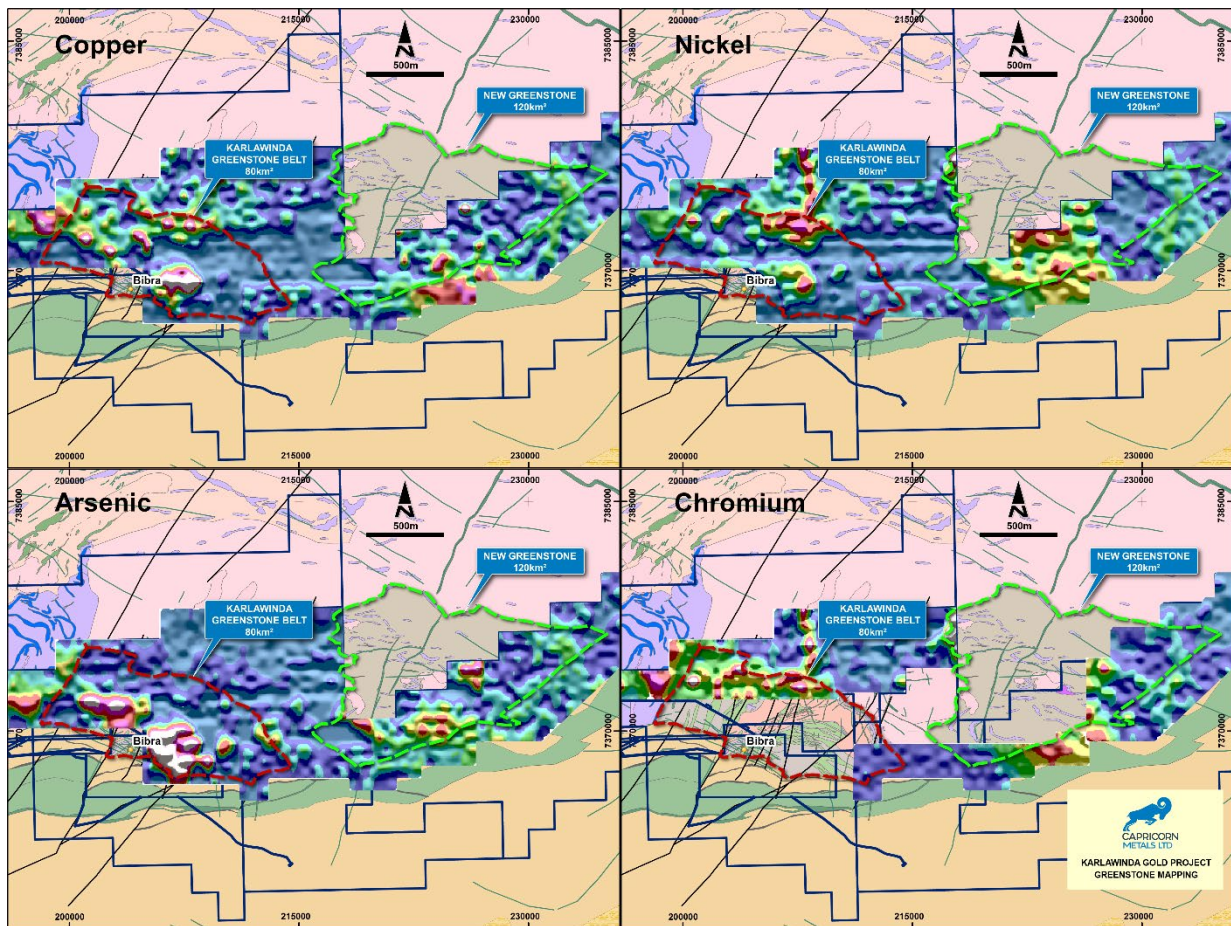


Figure 3: Soil-geochemical gridded images showing the similarities between the two greenstone areas using the four key elements, which defines part of the Bibra stratigraphy. Clockwise from top left Cu, Ni, Cr and As.

REGIONAL SOIL GEOCHEMISTRY

A total of 3,200 samples were collected as part of a regional soil geochemical sampling program spaced on a 400m x 400m grid and covering a total area of approximately 450km² of the expanded Karlawinda Gold Project. This program has highlighted the potential for new areas of gold mineralisation with the identification of several priority geochemical targets and confirms the prospectivity and scale of the exploration opportunities at Karlawinda. The new targets identified are all located within 50km of the proposed Karlawinda Gold Project processing facility and, in the case of the western prospects, are located close to the proposed Karlawinda Gold Project access road.

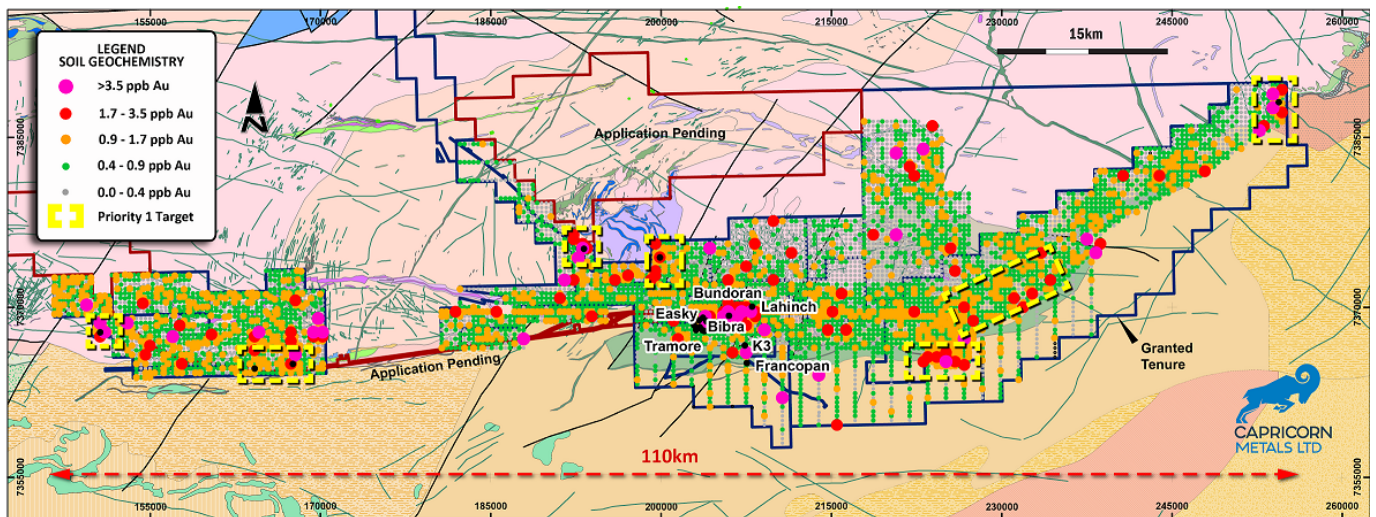


Figure 4: Soil sampling coverage at the Karlawinda Gold Project and priority one targets highlighted in yellow

Seven gold anomalies have been ranked as high-priority. The targets have strike lengths of up to 3km and consist of multiple contiguous anomalous gold-in-soil results and are located either within a prospective lithological host, along a major geological contact and/or a structurally complex area. Several lower order, more discrete anomalies, consisting of one to two anomalous contiguous gold assays within broader lower grade halos, have also been identified. For further information please see ASX Announcement dated 18th of November 2018 “New Gold targets identified at Karlawinda”.

CO-FUNDED EXPLORATION INCENTIVE SCHEME (EIS) DRILLING

The Company has been awarded a drilling funding grant through the State Government of Western Australia’s Exploration Incentive Scheme (EIS), where 50% of the direct drilling cost are covered by the scheme. The funding grant is for up to \$110,000 of the direct drilling cost and was awarded on the basis of drilling a 900m diamond hole to test the continuation of the Bibra Archean stratigraphic succession, two kilometres to the south of the Southern Corridor resource and Tramore Prospect.

Corporate

On 9 January 2019, after the end of the Quarter, Capricorn received from two shareholders (Neon Capital Ltd and Nero Resource Fund Pty Ltd who together hold a combined 5.5% interest in the Company) a purported notice under section 203D(2) and section 249D of the Corporations Act requesting that the Company call a meeting at which the following resolutions be considered:

- Resolution 1 – Appointment of Mr Timothy Kestell as a Director
- Resolution 2 – Appointment of Mr Peter Pynes as a Director
- Resolution 3 – Appointment of Mr Douglas Jendry as a Director
- Resolution 4 – Removal of Ms Debra Bakker as a Director
- Resolution 5 – Removal of Mr Geoffrey Rogers as a Director
- Resolution 6 – Removal of Mr Peter Benjamin as a Director

The Company is currently seeking legal advice in relation to this matter, including as to the validity of the notice, and will address this issue in an appropriate manner. Shareholders can be assured that the Board will, as always, act in the best interests of all shareholders. Further information will be provided to shareholders in due course.

The Company continues to review a range of additional financing and corporate alternatives with a view to maximising shareholder value in the Project.

Cash balance at the end of the Quarter was A\$1.2 million.

MARCH QUARTER PLANNED ACTIVITIES

Activities planned for the March Quarter include:

- Execution of project facility agreements with Macquarie Bank;
- Execution of material project contracts;
- Planning and commencement of a resource definition drilling program at the Tramore Prospect;
- Completion of interpretation of regional soil geochemical surveys and mapping programs.
- Continued review of all opportunities, both development, financing and corporate, that maximise shareholder value.

TENEMENTS

A full listing of the Company's current tenement holdings, as at the date of this release, is included as Appendix 1.

During the Quarter, the following changes have occurred:

- Exploration License E52/3533 was granted on 6th November 2018.
- Exploration Licence E52/3671 was applied for on 16th November 2018.
- Exploration Licence E52/3677 was applied for on 7th December 2018.

For and on behalf of the Board



Debra Bakker
Non-Executive Chairman

For further information, please contact:

Jonathan Shellabear (Chief Financial Officer) or Peter Thompson (Chief Operating Officer)

Email: enquiries@capmet.com.au

Phone: (08) 9212 4600

Competent Persons Statement

The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled or reviewed by Mr. Michael Martin who is Chief Geologist and a full-time employee of the Company. Mr. Michael Martin is a current Member of the Australian Institute of Geoscientists and has sufficient experience, which is relevant to the style of mineralisation and types of deposit under consideration and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Martin consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The information in this report that relates to Ore Reserves for Bibra is based on information compiled by Mr Daniel Donald. Mr Donald is an employee of Entech Pty Ltd and is a Member of the Australian Institute of Mining and Metallurgy (MAusIMM, #210032). Mr Donald has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity currently being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Donald consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

Capricorn Metals confirms that it is not aware of any new information or data that materially affects the information included in the previous ASX announcements on Mineral Resources (10/4/2017), Metallurgy (19/6/2017) and Ore Reserves (7/08/2017) and, in the case of estimates of Mineral Resources, Ore Reserves, Plant operating costs and Metallurgy, all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not materially changed from previous market announcements.

Forward Looking Statements

This announcement may contain certain "forward-looking statements" which may not have been based solely on historical facts, but rather may be based on the Company's current expectations about future events and results. Where the Company expresses or implies an expectation of belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. The detailed reasons for that conclusion are outlined throughout this announcement and all Material Assumptions are disclosed.

However, forward looking statements are subject to risks, uncertainties, assumptions and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements.

Such risks include, but are not limited to resource risk, metals price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as governmental regulation and judicial outcomes.

For a more detailed discussion of such risks and other factors, see the Company's Annual Reports, as well as the Company's other filings. Readers should not place undue reliance on forward looking information. The Company does not undertake any obligation to release publicly any revisions to any "forward looking statement" to reflect events or circumstances after the date of this announcement, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

The Company has concluded it has a reasonable basis for providing the forward-looking statements that relate to the Karlawinda Feasibility Study that are included in this announcement and which has been prepared in accordance with the JORC code (2012) and ASX Listing Rules.

APPENDIX 1 – TENEMENT SCHEDULE

Australia:

Lease	Project	Company	Blocks ¹	Status	Date of Grant/ Application	Expiry
Tenements						
E52/1711	Karlawinda	Greenmount	33	Granted	05/08/2004	04/08/2018
E52/2247	Karlawinda	Greenmount	16	Granted	21/07/2009	20/07/2019
E52/2398	Karlawinda	Greenmount	15	Granted	28/04/2010	27/04/2020
E52/2409	Karlawinda	Greenmount	8	Granted	15/06/2010	14/06/2020
E52/3323	Karlawinda	Greenmount	11	Granted	11/03/2016	10/03/2021
E52/3363	Karlawinda	Greenmount	36	Granted	13/01/2017	12/01/2022
E52/3364	Karlawinda	Greenmount	44	Granted	07/03/2017	06/03/2022
E52/3450	Karlawinda	Greenmount	16	Granted	13/01/2017	12/01/2022
E52/3474	Karlawinda	Greenmount	128	Granted	03/07/2017	02/07/2022
E52/3533	Karlawinda	Greenmount	109	Granted	06/11/2018	05/11/2023
E52/3541	Karlawinda	Greenmount	7	Granted	28/03/2018	27/03/2023
E52/3543	Karlawinda	Greenmount	8	Granted	28/03/2018	27/03/2023
E52/3562	Karlawinda	Greenmount	20	Granted	28/03/2018	27/03/2023
E52/3571	Karlawinda	Greenmount	10	Application	10/08/2017	-
E52/3671	Karlawinda	Greenmount	26	Application	16/11/2018	-
E52/3677	Karlawinda	Greenmount	31	Application	07/12/2018	-
Total Blocks			518			
Miscellaneous Licences						
L52/174	Karlawinda	Greenmount	22.17 ha	Application	25/08/2017	17/04/2039
L52/177	Karlawinda	Greenmount	12.20 ha	Granted	08/12/2017	07/12/2038
L52/178	Karlawinda	Greenmount	21.41 ha	Granted	08/12/2017	07/12/2038
L52/179	Karlawinda	Greenmount	127.83 ha	Application	25/08/2017	27/05/2039
L52/181	Karlawinda	Greenmount	1.00 ha	Application	15/09/2017	17/04/2039
L52/183	Karlawinda	Greenmount	28.46 ha	Application	08/12/2017	2/05/2039
L52/189	Karlawinda	Greenmount	1258 ha	Application	10/04/2018	-
L52/192	Karlawinda	Greenmount	220 ha	Application	16/05/2018	-
L52/196	Karlawinda	Greenmount	135 ha	Application	1/06/2018	-
Mining Lease						
M52/1070	Karlawinda	Greenmount	2975.07 ha	Granted	23/11/2016	22/11/2037

Note:

- The area measurement for one block can vary between 2.8 – 3.2 km²

Madagascar:

Title Number	Permit Type	Grant Date	Expiry Date	Term (Years)	Project Name	Total Carres (New - 0.391km ²)	Interest %	Note
25095	PE	18-Jan-07	17-Jan-47	40	Ampanihy - Maniry	48	100%	1
Total Carres						608		

Note:

- Leased to SQNY – Royalty and partial tenement fees payable to subsidiary Mada-Aust SARL.

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

CAPRICORN METALS LTD

ABN

84 121 700 105

Quarter ended ("current quarter")

31 DECEMBER 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	29	47
1.2 Payments for		
(a) exploration & evaluation	(953)	(2,823)
(b) development	-	-
(c) production	-	-
(d) staff costs	(351)	(730)
(e) administration and corporate costs	(324)	(754)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	10	25
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Grant Income	-	15
1.8 Other: GST (Paid)/ Refunded	124	37
1.9 Net cash from / (used in) operating activities	(1,465)	(4,183)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(2)	(162)
(b) tenements (see item 10)	-	-
(c) investments (deferred instalments)	(33)	(33)
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(35)	(195)

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	2,708	5,586
4.2	Net cash used in operating activities (item 1.9 above)	(1,465)	(4,183)
4.3	Net cash from/ (used) in investing activities (item 2.6 above)	(35)	(195)
4.4	Net cash from financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,208	1,208

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	1,208	2,708
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)	1,208	2,708

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	102
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	

Directors remuneration	102
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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.		

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	500
9.2	Development	-
9.3	Production	-
9.4	Staff costs	320
9.5	Administration and corporate costs	300
9.6	Other (provide details if material)	-
9.7	Total estimated cash outflows	1,120

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		Refer to Covering Quarterly Activity Report attached hereto		
10.2	Interests in mining tenements and petroleum tenements acquired or increased		Refer to Covering Quarterly Activity Report attached hereto		

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: 15 January 2019

Print name: Natasha Santi

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

Mining exploration entity and oil and gas exploration entity 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.