

Fourth Quarter Report 2018

For the Three Months Ending 31 December 2018

Symbol Mining confirms the commercialisation of the Macy Project and advances the opportunity to identify and seek to develop a globally significant base metals project.

- Imperial Joint Venture initial DSO zinc shipment completed for first revenue
- Logistics for internal transport and international export confirmed
- 2nd, 3rd and 4th shipment under transport to Lagos Port
- Mining operations ahead of schedule and Macy exceptional zinc grades confirmed
- Density separation processing plant constructed and fully commissioned
- Granting of 6 additional new exploration tenements doubles land holding
- Exploration geophysics equipment mobilised to Macy project

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

Symbol continued to make positive progress and achieve major milestones during the fourth quarter, in line with Symbol's strategy for creating shareholder value: "Extract, Explore and Expand".

Tim Wither CEO said, "The December quarter was a very important period in the establishment of the Company and for the mining sector in Nigeria. We have now established the first industrial scale base metals mine in Nigeria, within twelve months of publicly listing on the ASX. Our first strategic priority was to commission Macy operations and prove that we can successfully operate within Nigeria.

"The first sale of our DSO product has been a major accomplishment by Symbol and the IJV team, as we have now proven the ability to mine, transport and export, which demonstrates that Nigeria is the next emerging mining province and is open for business. We can now continue with our core strategy to develop Symbol into a mid-tier mining company, by seeking to identify a world class deposit."



Image 1: Macy Mine Site

MARKETING & SALES

On the 27th of November the Company was pleased to transport the maiden Direct Shipping Ore (DSO) shipment from the high-grade Macy mine. The Company subsequently executed the first sales agreement, which was subjected to normal industry standard deductions including, Treatment and Smelter charges, freight and trade sample analysis.

On 25 January 2019, the first shipment set sail for China to provide the Company with its first revenue from the Macy operations in early February.



Subsequent to the end of the quarter, the Company commenced transportation of the second, third and fourth zinc DSO shipments to Lagos for a total of 850 tonnes for the month of January, grading at 40% zinc. Transportation is in line with the budgeted 1,000 tonnes for January 2019, notwithstanding having missed the first week of the new year due to delays in truck availability during the festive period.

Global zinc prices have remained relatively stable at approximately \$2,500 per tonne during the quarter and refined zinc metal warehouse stocks levels are currently at 10 year lows. Towards the end of the quarter, there has been a large build up of concentrate stocks in China as the northern hemisphere enters winter, which has seen a dramatic increase on smelter treatment charges. Notwithstanding the increase in concentrate stocks, the characteristics of the Symbol DSO ore and Noble's strong relationships, the Company remains confident it will be maintaining a fully sold position for the foreseeable future.

MACY PRODUCTION

Mining performance at the Macy mine continued in line with budget with a total of 315kt mined for the quarter and a total of 725kt mined project to date, 8% ahead of LOM mining schedule. During the quarter, the northern end of the Macy resource was exposed, with very encouraging grade control results confirming grades above the Macy resource average of 18.3% zinc. The main high-grade ore zones are reporting grades in excess of 36% zinc within the estimated ore boundaries.

The performance for the quarter continues to confirm the capabilities PW Nigeria as a reliable and supportive mining contractor. During the quarter, PW Nigeria mobilised a replacement haulage fleet of low hour Volvo A40E units to increase fleet availability and allow the ability to utilise steeper pit ramps, reducing stripping ratios overall. Due to the mining over performance the Company will be optimising operating costs over Q1 - 2019 whilst the Company processes the large ROM stocks.



Image 2: Macy Mining Equipment in Macy Pit

The December quarter has seen a total of 36kt of zinc sulphide ore mined. The Macy resource continues to have good reconciliation with the estimated resource model, confirming the robustness of the high-grade Macy sphalerite and galena ore bodies and as the pit has deepened to more known drill intersections, the geological confidence in the ore body has markedly increased. Reconciliations of the ore zones show controlled dilution and ore loss is less than model estimations and management are very pleased with the progress of the mine as the operations progresses toward steady state production.



Image 3: Macy Mine Pit and ROM Pad

PROCESSING

During the quarter, a total of **349 tonnes** of Direct Shippable Ore (“DSO”) was produced, by hand sorting. However during this period it was recognised that a hand sorting program would not be sufficient to achieve forward production targets, both in terms of volume and grade. In turn, in the latter part of the quarter, a jig (wash and gravity concentration plant) was secured from a local manufacturer and has been successfully commissioned on site and is now fully operational.

The Company is satisfied with the initial performance of the plant, confirming the Macy ore is highly amenable to gravity separation. Operations have confirmed the plant's production rate of 1,000 WMT per month is able to achieve 66% metal recovery, producing a clean high-zinc grade concentrate achieved at coarse feed size and thereby eliminating any requirement for a capital-intensive grinding and floatation circuit. Tailings are being stockpiled for later reprocessing.

Processing operations will continue to ramp up towards achieving a targeted, steady-state production rate of 3,000 WMT per month (monthly average) and eventually beyond. As required, a second operating shift will be introduced to achieve these levels. The company is currently reviewing a second wash plant as operations continue to expand.



Image 4: Macy Jig Wash Processing Plant

Production from the Jig Wash Processing Plant is currently grading at 44% zinc of consistent high-grade zinc DSO with a target of 45 to 50% Zn product grade following ongoing processing optimisation.

MINE INFRASTRUCTURE

During the Quarter, the Imperial JV access road was upgraded and construction of the 120 meter Bailey Bridge was completed, providing the Company with all weather access to the operations and exploration activities. The bridge will have a significant positive impact to the surrounding communities, allowing year-round access to medical facilities.



Image 5: Bailey Bridge

SOCIAL PERFORMANCE

There were no reportable Lost Time Injuries (LTI) during the fourth quarter. While there were some minor medical treatments during the quarter, the Macy Project remains LTI free, project to date.

During the quarter the Company held the regular monthly community meetings which were held with a focus on developing the understanding of the operations and developing our Community Development Agreement (CDA) 2019 schedule. The relationship with community remains a priority and significant amount of effort was made to further strengthen communications and Symbol commitments to the CDA.

EXPLORATION AND GROWTH

During the quarter, the Company focused on continuing the compilation and interpretation of regional satellite and airborne geophysics data, assisting in exploration target generation across current tenements and within the highly prospective Benue trough.

As previously announced, Imperial JV has been granted 6 new tenements (including the right to acquire tenements within the Area of Interest) The granting of these additional licenses is in line with our strategy of expanding our pipeline of quality and highly prospective exploration projects with our target to expand the Imperial Project into a globally significant and long-term project. These additional licenses represent a rare opportunity to secure a growing land position in an underexplored region, where the Company has significant expertise.

The additional tenements are located along-strike of Imperial's Macy exceptionally high-grade Zn-Pb mine following the geological continuity of Lower Cretaceous stratigraphy, which the Company deems prospective for further discoveries of zinc and lead deposits (shown in Figure 1).

The new tenements gives the Imperial JV a total of 982 km² of exploration licenses, which span over a 100km of strike with in the Benue Trough. The additional tenement makes the Imperial JV the largest landholder for base metals in Nigeria, in a country that has had little or no modern-day exploration but where exceptional high-grade deposits occur.

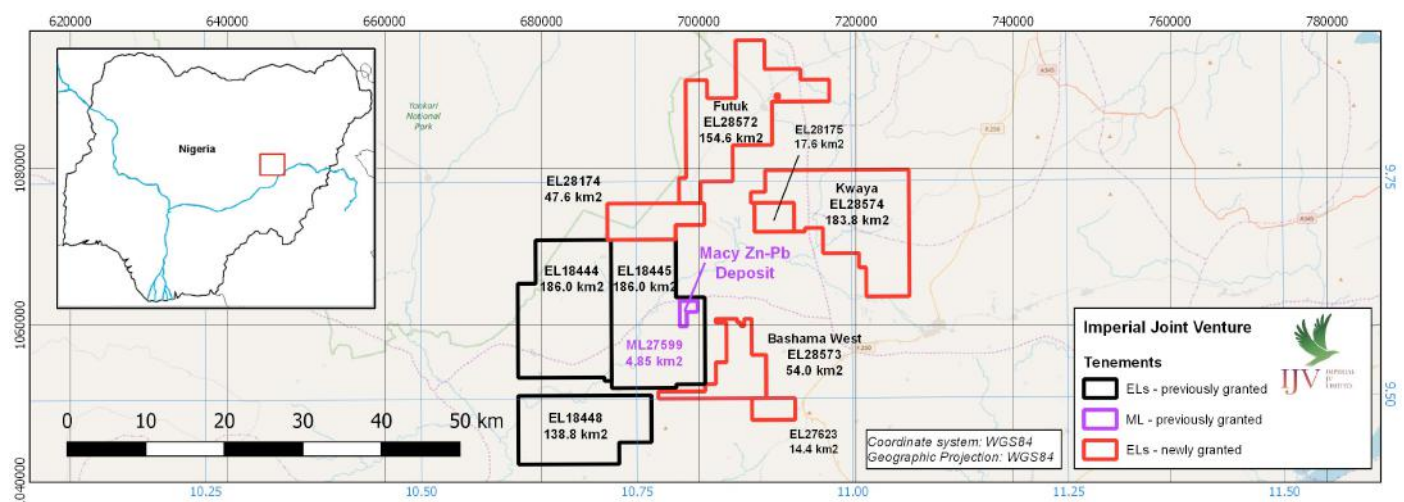


Figure 1. New Imperial Joint Venture Tenements and Applications. Position of the Macy Zn-Pb Mine.

Subsequent to the quarter, the geophysics equipment has been mobilised into Nigeria and is expected to commence in the coming week. The Induced Polarisation (IP) geophysics fieldwork is being conducted to target potential drill ready targets over the current 25 year mining license which covers the Macy resource and immediate adjacent prospects of Aisha, Imperial Hill and Macy West.

As previously announced, the Company has completed multiple petrophysics field tests on the Macy drill core, which demonstrated that the Macy sphalerite (zinc) ore body is very chargeable and very resistive to electric charge. Importantly, there is a large electrical contrast in responses between the ore zone and the surrounding host rocks, suggesting that IP geophysics may work well in defining potential sub-surface ore zones by identifying areas of chargeability and resistiveness.

It is expected that exploration drilling will recommence in H1 following any successful target generation from the ground geophysics surveys.

During the first half of 2019, the Symbol exploration team will continue to complete an initial geological review involving field mapping and geochemistry sampling in areas of interest across the tenements.

The Company's core focus is the extension of resources in and around the Macy operations and therefore, the Company now intends to undertake an initial mapping programme at the Tawny JV during H2 to define the extent of mineralisation.

INVESTOR RELATIONS

During the quarter, Symbol presented at the Nigerian Mining Week in Abuja, Nigeria and Nigerian Mining Engineers Society. Several meetings were held with various Nigerian Mines Departments as the project progressed toward the maiden shipment, with the support for the Company remaining strong, through the synergy of the Company promoting Nigeria as a safe and highly prospective mineral province. The Company will be attending Cape Town 121 Conference and Mining Indaba during the first week in February 2019.

JOINT VENTURE EXTENSION & TENEMENT SUMMARY

The Company has agreed with Goidel to amend the Imperial Joint Venture agreement to introduce a 50km inclusion zone around the three Imperial JV tenements in which, if either party holds, acquires or wishes to acquire a tenement within 50km radius of the Imperial JV Project ('Area of Interest') then the Imperial JV will have the right to acquire those tenements at cost.

Under this extension, the Imperial JV has obtained the right to acquire 100% of EL 27623, EL 28174 and EL28175 which cover a total of 83.87 km² of land held by Goidel and its subsidiary company, NWMA Limited. Symbol plans to complete an initial program of rock chip sampling, surface geochemistry and geological mapping to define exploration targets and value of these new tenements. If deemed to be of value the Company will exercise its right to acquire these tenements at cost.

Additionally, Symbol has also agreed with Goidel to extend the option to acquire EL18448, subject to the completion of a drilling program of at least 4,000 meters before 31 December 2019, which can be extended by the Company for a further 12 months.

The Company's tenement holdings at the end of the Quarter are set out in Appendix 1.

Several other areas of interest which are free of title has been applied for and are progressing well, with expectation that approval for the additional tenements will soon be provided.

CORPORATE

Loan Facility

On 19 December 2018, the Company was pleased to announce that it had executed an extension and novation of the Loan Facility with Noble Resources Limited (Noble Loan Extension). The extension included an increase to the loan facility limit to USD\$5 million, providing up to USD\$2 million in additional funding for working capital requirements during the ramp-up of shipments, accelerate exploration and to increase the Company's flexibility to take advantage of the additional gravity separation processing unit.

Under the Noble Loan Extension the repayment dates for each loan drawdown have been extended by three months and extends the final maturity date to 30 September 2019. The Company has entered into preliminary discussions regarding a possible further extension or restructuring of the repayment dates.

Symbol has also agreed to enter into a hedging facility agreement for up to 40% of saleable product. This agreement will incorporate provisions and commercial terms customary and reasonable for hedging facility transactions of this nature.

With the extension of repayment terms, the Company has also extended the Offtake and Marketing Agreement with Noble by increasing the partial rights granted to Noble as announced on 16 July 2018. The Offtake and Marketing Agreement incorporates provisions and commercial terms typical of an agreement of this nature.

Convertible Note

On 19 December 2018, the Company also advised that it was planning to enter in to a A\$1 million amortising convertible note with a face value of \$1,100,000 with a US based investment firm.

The Company advises that following a review of the final terms the Company has decided not to proceed with the C-Note as announced on 19 December 2018. The Company will continue to assess the funding options available to meet the working capital requirements as needed, on an ongoing basis.

JV Agreement Extension and Amendment

As previously announced, the working capital funding requirements for the Imperial Joint Venture has been provided by Symbol under an intercompany loan agreement rather than in accordance with the Subscription and Facility Agreement¹. Therefore, under the JV Agreement Amendment, the parties have agreed to continue with the funding under an intercompany loan arrangement and have terminated the Subscription and Facility Agreement due to it being not activated and being redundant. To ensure there was no material change to the funding structure of the JV, the intercompany loan is a limited recourse loan with repayment to only occur if there is free cashflow, and Imperial JV will apply the first 20% of available profits to repayment of the loan.

Additionally, it was agreed to:

- Simplify the Group structure and administration obligations of the Group, by transferring the Company's 60% shareholding in Imperial JV from Symbol Base Metals (UK) Limited to Symbol Mining Limited. The Company intends to execute the transfer for the restructure in Q1;
- Increase the minority protection provisions for matters that require unanimous consent by the shareholders; and
- Include industry standard drag along and tag along rights for any sale or divestment.

The Company confirms that there has been no material change to the scope and structure of the JV Agreement as previously disclosed.

Functional Currency

As part of the year-end audit preparation, the Company has reviewed the group company structure and operating functions to determine the appropriated functional currency for each entity under the Accounting Standards. The Company has determined that the Group will adopt the United States of America dollar (USD) as the functional currency and presentation currency of the Company from 1 January 2019.

¹ for further details refer to the Company's Prospectus dated 16 July 2018 section 6.2(d) and the Prospectus dated 5 July 2017 sections, 4.1.9, 4.1.10 and 9.2.1

CORPORATE INFORMATION

Issued Share Capital as at 30 January 2019

Ordinary Shares (SL1)	584,925,131
Listed Option (SL1O)	128,500,000
Unlisted Options (various)	68,385,900

Share Price Activity for the December Quarter (Closing Price)	
High	\$0.031
Low	\$0.016
Last	\$0.019 (30 January 2019)
Quarter average daily volume	1.35 million shares

Symbol Mining Limited

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Share Registry

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Appendix 1 – Tenement Holdings as 31 December 2018.

Tenement	Registered Holder	Location	Symbol Ownership at the end of the quarter	Symbol Beneficial Interest held in (Farm-in and transfer Agreements) at the end of the quarter	Symbol Interest acquired during the quarter	Symbol Interest disposed during the quarter	Symbol Beneficial Interest (Farm-in and transfer Agreements) acquired during the quarter	Symbol Beneficial Interest (Farm-in and transfer Agreements) disposed during the quarter
Imperial JV								
ML 27599	Imperial JV Ltd	Nigeria	60%	-	-	-	-	-
EL 18444	Imperial JV Ltd	Nigeria	60%	-	-	-	-	-
EL 18445	Imperial JV Ltd	Nigeria	60%	-	-	-	-	-
EL 18448	Goidel Resources Ltd	Nigeria	-	60%	-	-	-	-
SSML 20137	Goidel Resources Ltd	Nigeria	-	60%	-	-	-	-
SSML 20138	Goidel Resources Ltd	Nigeria	-	60%	-	-	-	-
SSML 20139	Goidel Resources Ltd	Nigeria	-	60%	-	-	-	-
EL 27623	Goidel Resources Ltd	Nigeria	-	60%	-	-	60%	-
EL 28174	NWMAS Nigeria Ltd	Nigeria	-	60%	-	-	60%	-
EL 28175	NWMAS Nigeria Ltd	Nigeria	-	60%	-	-	60%	-
Tawny JV								
EL 19242	Tawny JV Ltd	Nigeria	60%	-	-	-	-	-

Note: EL 27623 - Number of Cadastre Units – 72 (14.4 Km²)
 Local Government Area – Karim Lamido,
 State: Taraba State
 Effective Date – 15 October 2018; Expiry Date - 14 October 2021
 Issue Date – 6 November 2018

EL 28175 - Number of Cadastre Units – 88 (17.6 Km²)
 Local Government Area – Alkaleri,
 State – Bauchi State
 Effective Date – 15 October 2018; Expiry Date - 14 October 2021
 Issue Date – 6 November 2018

EL 28174 - Number of Cadastre Units – 238 (47.6 Km²)
 Local Government Area – Alkaleri,
 State – Bauchi State
 Effective Date – 15 October 2018; Expiry Date - 14 October 2021
 Issue Date – 6 November 2018

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Symbol Mining Limited

ABN

50 161 989 546

Quarter ended ("current quarter")

31 December 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year-to-date \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	-	(3,099)
(b) development	(1,538)	(4,001)
(c) production		
(d) staff costs		
(e) administration and corporate costs	(459)	(2,097)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid	(82)	(169)
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (provide details if material)	29	(36)
1.9 Net cash from / (used in) operating activities	(2,050)	(9,402)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(190)	(857)
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year-to-date \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)		
	(c) investments		
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (Cash disposed of on deconsolidation of subsidiary companies)		
2.6	Net cash from / (used in) investing activities	(190)	(857)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	3,000
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	-	(555)
3.5	Proceeds from borrowings	890	4,366
3.6	Repayment of borrowings	-	(206)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (Payment to Administrator under DOCA))		
3.10	Net cash from / (used in) financing activities	890	6,605

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,365	3,447
	4.1a Adjustment to opening cash	-	222
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,050)	(9,402)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(190)	(857)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	890	6,605

Consolidated statement of cash flows		Current quarter \$A'000	Year-to-date \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	15	15

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	15	1,365
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)	15	1,365

Note:

As noted in item 8.1 below, under the Company had \$2.8m available to draw down under the debt facility as at 31 December 2018.

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

46

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

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

- 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

**Current quarter
\$A'000**

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	7,084	4,250
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Note:

As announced to the ASX on 19 December 2018, the Company executed a loan increase with its debt provider and had \$2.8m available to draw down as at 31 December 2018. For further details refer to the ASX Announcement dated 19 December 2018.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	(542)
9.2 Development	(280)
9.3 Production	(5,011)
9.4 Staff costs	
9.5 Administration, corporate and interest costs	(758)
9.7 Total estimated cash inflows	(6,591)

Note:

As noted in item 8.1 above, the Company executed a loan increase with its debt provider and had \$2.8m available to draw down as at 31 December 2018. The Company is in production and has sold its first shipment. Forecast production and sales provide for positive operational cash flows being achieved in Q2.

It is anticipated that \$1m in additional funding will be required to meet the working capital until positive operational cashflow is achieved in Q2. As previously announced, the Company had entered into a non-binding terms sheet for \$1m funding under an amortising convertible facility. The Company has decided not to proceed with this facility and the Company is considering the debt and equity funding alternatives to assess which option is in the best interests of shareholders before proceeding.

The Company is confident that at least one of these opportunities will be successful and provide additional working capital to the Company in the near future and an announcement will be made confirming this once an agreement has been finalised and/or in accordance with the Company's continuous disclosure obligations.

Mining exploration entity and oil and gas exploration entity quarterly report

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2	Interests in mining tenements and petroleum tenements acquired or increased	EL 27623 Nigeria	Beneficial interest and right for Imperial JV Limited to acquire 100% of EL 27623	0%	60%
		EL 28174 Nigeria	Beneficial interest and right for Imperial JV Limited to acquire 100% of EL 28174	0%	60%
		EL 28175 Nigeria	Beneficial interest and right for Imperial JV Limited to acquire 100% of EL 28174	0%	60%

Compliance statement

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

Sign here: *Patrick McCole*
(Company secretary)

Date: 31 January 2019.

Print name: Patrick McCole

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.