

## December 2018 Quarterly Activities Report

*Significant progress with project financing, permitting, off-take, engineering and design puts TNG in an excellent position to advance the world-class Mount Peake Vanadium-Titanium-Iron Project towards financing and development in 2019*

### HIGHLIGHTS

#### **MOUNT PEAKE VANADIUM-TITANIUM-IRON PROJECT (NT) (TNG: 100%)**

##### **US\$600m Project Financing Mandate**

- Leading global resource development bank KfW IPEX-Bank appointed as TNG's exclusive senior debt advisor and arranger to structure the total debt finance package for the Mount Peake Project and lead a syndication to raise up to US\$600m as part of the total finance package. KfW IPEX-Bank, which is owned by the German Government, is a specialised solution provider in export and project financing with a proven track record for complex project financings worldwide.

##### **Titanium Pigment Marketing and Off-take Binding Term Sheet**

- Binding Term Sheet signed for a life-of-mine off-take agreement with Swiss-based global market expansion services provider DKSH for up to 100% of titanium pigment production from Mount Peake.

##### **Project Permitting**

- Mount Peake Mineral Leases granted, providing TNG with security of tenure and allowing the Company to proceed with the overall financing package required to underpin the Project's development. This followed execution of the Mount Peake Project Native Title Agreement by the Central Land Council and the Eynewantheyne Aboriginal Corporation RNTBC.
- Haul Road Access Authority and Borefield/Water Pipeline Access Authority both granted.

##### **Project Planning and Development**

- SMS group appointed to commence front-end engineering and design (**FEED**) for the entire Mount Peake Project and provide a fixed-price EPC proposal. Mandate encompasses the Mount Peake mine site Concentrator, the TIVAN® Processing Plant and all associated plant and equipment.
- In addition to the FEED of the process, plant and equipment, SMS group's scope will include providing a proposal for full procurement and construction including the balance of plant and equipment to be provided on a turnkey, single-source, fixed-price EPC basis.

#### **CORPORATE**

- Completion of \$3.87m Share Purchase Plan, with proceeds to be used to further strengthen TNG's balance sheet and progress key pre-development activities ahead of a Final Investment Decision at Mount Peake. \$1.55m Research & Development rebate also received during the quarter and Application submitted to the Export Market Development Grant (EMDG) for the reimbursement of \$150,000 in overseas marketing expenditure.
- Subsequent to quarter-end, TNG Managing Director Paul Burton stepped down from the Todd River Resources Board to allow him to focus 100% on the financing and development of the Mount Peake Project.
- Performance of strategic metals pricing across TNG's commodity suite during the Quarter:

- **Vanadium pentoxide** price was US\$19/lb at the end of December – a 21% quarterly decrease from the historical peak of Q3, 2018 but still at a very healthy level compared to the historical average (source: Metal Bulletin);
- **Titanium dioxide pigment** prices were down about 4% this quarter, reaching US\$3,175/t at the end of December compared to US\$3,300/t at the end of September (source : ICIS and Fastmarkets IM) ;
- **Pig iron** prices were down 4% from US\$390/t at the end of September to US\$375/t at the end of December (source: Metal Bulletin).

## MOUNT PEAKE VANADIUM-TITANIUM-IRON PROJECT (TNG: 100%)

The Mount Peake Project is a potential world-scale strategic metals project located 235km north-west of Alice Springs in the Northern Territory, close to existing key power and transport infrastructure including the Alice Springs-Darwin Railway and the Stuart Highway. With a JORC Measured, Indicated and Inferred Resource totalling 160Mt (118Mt Measured, 20Mt Indicated, 22Mt Inferred), grading 0.28% V<sub>2</sub>O<sub>5</sub>, 5.3% TiO<sub>2</sub> and 23% Fe (refer to Table 1 on page 8 of this report for a full Statement of the Mineral Resource), Mount Peake is one of the largest undeveloped vanadium-titanium-iron projects in the world.



Figure 1. Mount Peake location plan in the Northern Territory.

### Mandate for US\$600m Project Finance Package

During the Quarter, TNG appointed Germany's KfW IPEX-Bank GmbH as its exclusive senior debt advisor and arranger to lead a US\$600 million debt raise for the development and construction of the Mount Peake Project. KfW IPEX-Bank, which is owned by the German Government, is a specialised solution provider in export and project financing with a proven track record for complex project financings worldwide. See ASX announcement dated 13 December 2018.

Under the mandate letter, KfW IPEX-Bank will structure, coordinate, lead, arrange and manage a syndicate to raise a targeted amount of US\$600 million (A\$850 million) to underpin the project financing package. The final capital requirements will be precisely determined and optimised during the ongoing Mount Peake Front-End Engineering and Design (FEED) study (see below) and lender's due diligence.

During the due diligence process, the adequate levels of contingencies, working capital, debt service reserve amounts and project owner's costs will be fully evaluated as part of the capital requirements and the entire senior debt financing package will be structured accordingly. The Mandate commenced on 15 January 2019.

KfW IPEX-Bank has already been working closely with SMS Financial Services and TNG to refine and optimise the Mount Peake financial model for the CAPEX and OPEX assumptions during the FEED study, led by TNG's strategic engineering and construction partner, SMS group. Through this early involvement, the parties will aim to achieve an improved debt/equity structure that is tailored to match the economic profile of the Mount Peake Project. This approach has already resulted in a positive outcome, culminating in a presentation and meeting with senior KfW IPEX-Bank executives at TNG's head office in Perth.

Under the mandate, KfW IPEX-Bank's role will include advising TNG on how to maximise, to the greatest extent possible, cover instruments available from export credit agencies (ECA's).

The Company has also commenced discussions with advisors for the expected equity portion of the project.

### **Titanium Pigment Off-take – Binding Term Sheet**

During the Quarter, TNG signed a Binding Term Sheet with a leading publicly-listed leading market expansion services provider DKSH (SWX: DKSH) to purchase, on a life-of-mine basis, up to 100% of the titanium dioxide (TiO<sub>2</sub>) pigment produced from the Mount Peake Project. See ASX announcement dated 30 October 2018.

Headquartered in Zurich and with a history dating back over 150 years, DKSH is deeply rooted in communities all across the Asia-Pacific region. The company offers any combination of sourcing, marketing, sales, distribution and after-sales-services and is organized into four Business Units: Consumer Goods, Healthcare, Performance Materials and Technology. Its core business is supporting other companies to grow their business in new or existing markets.

DKSH has 825 business locations in 36 countries and 31,970 specialised staff. In 2017, DKSH generated annual net sales above US\$11 billion. For more information: <http://www.dksh.com>

The Binding Term Sheet encompasses the titanium dioxide (TiO<sub>2</sub>) pigment products to be produced by TNG's proprietary TIVAN® hydrometallurgical process, incorporating the innovative new process announced earlier this year (see ASX announcement, 26 February 2018). DKSH will provide a full distribution service, including freight financing, technical support, logistics, marketing and sales for TNG's TiO<sub>2</sub> product(s) from Mount Peake.

The final Offtake Agreement is currently under review by both parties with the intention to finalize and execute it in the first half of 2019.

### **Mount Peake Project Planning and Development**

Activities progressed on a number of fronts during the Quarter as part of pre-development planning for the Mount Peake Project. Major work programs included:

- commencement of the Front-End Engineering and Design (FEED) process with SMS group;
- delivery of an energy supply strategy for the Mount Peake Mine Site and Concentrator, and the Darwin Processing Plant; and
- ongoing development of proposed logistics channels and consumables requirements for the Project.
- commencement of financing strategy

### **Project Approvals – Native Title Agreement Executed and Mineral Leases Granted**

Strong progress was made towards the completion of all project approvals at Mount Peake during the Quarter, with the execution of a formal Native Title Mining Agreement and the award of the Mount Peake Mineral Leases. See ASX announcements dated 11 October 2018 and 21 November 2018.

The Native Title Mining Agreement was entered into between TNG, TNG's wholly-owned project-level subsidiary (Enigma Mining Limited), the Central Land Council (CLC) and Eynewantheyne Aboriginal Corporation RNTBC, the registered native title body corporate for the native title holders of the land at Mount Peake (Native Title Holders).

The Agreement covers a range of commercial and non-commercial items that are confidential in nature. The Agreement is structured to ensure that employment, training and other benefits from the development of the world-class Mount Peake Project will flow back to the Native Title Holders and the local community.

Following the execution of the Native Title agreement, the Mineral Leases covering the Mount Peake mine site and associated infrastructure were granted by the Northern Territory Minister for Primary Industry and Resources.

The grant of all required leases provides TNG with security of tenure, allowing the Company to proceed with the overall financing package required to underpin the Project's development.

In addition, the Access Authorities covering the Mount Peake mine site and associated infrastructure were granted during the Quarter. The two AA's cover the proposed haul road as well as the Project bore field and water pipeline. See ASX announcement dated 3 December 2018.

### **Mount Peake Mine Site – Mine Management Plan**

The development of the Mine Management Plan (MMP) for the Mount Peake Mine Site and Concentrator was completed during the quarter and is now being finalised. Finalisation of the MMP requires the addition of detailed planned mining schedules, mine structural information and continued environmental monitoring of the area.

Concurrently, TNG is working towards a community benefit fund for the Mount Peake area which will help support the local community. TNG expects to submit the MMP to the NT Government for approval in early 2019.

### **Front-End Engineering and Design (FEED)**

During the Quarter, TNG appointed the leading German-based metallurgical engineering group SMS group to commence the key Front-End Engineering and Design (FEED) process for the Mount Peake Project under an expanded scope which includes all project components. See ASX announcement dated 2 November 2018.

Under the mandate, SMS group will include in its comprehensive FEED process all process plant equipment required for the Mount Peake operation, including the mine site Concentrator and associated TIVAN® downstream processing plant, as well as all associated plant and equipment.

In addition, TNG has successfully negotiated the work scope with SMS group to result in a fixed-price Engineering Procurement and Construction (EPC) proposal, as well as for SMS group to provide TNG with production quantity, production rate and product quality guarantees.

Under the contract, SMS group will now design and engineer the entire processing flow sheet for the Mount Peake Project, which includes the mine site Concentrator, where magnetite concentrate is to be produced, and the downstream processing plant, where three high-purity and high-value products – vanadium pentoxide, titanium dioxide and iron oxide – will be produced.

The downstream processing plant will utilise TNG's 100%-owned TIVAN® hydrometallurgical process. The scope of work for the TIVAN® plant will include a titanium pigment plant – to be developed in collaboration with TNG's nominated sub-contractor, Ti-Cons (see ASX announcement dated 26 September 2018).

### **Mount Peake Concentrator**

The COMO Engineers Pty Ltd design of the concentrator at the mine site has been included as part of the FEED process.

Design of the Integrated Waste Landform (IWL) was further refined effectively utilising the designated area for the landform. The mine waste and tailing solids combination was also optimised to reduce haulage costs.

## **TIVAN® Processing Facility**

Refinement of the Processing Plant facility is continuing through various testing programs to determine processing plant feed tolerances and equipment selection. This work is being carried by SMS as part of the FEED process.

## **Darwin Environmental Impact Study**

The Environmental Impact Study (EIS) for the proposed TIVAN® downstream processing plant facility in Darwin is nearing completion with TNG's appointed consultant, Animal Plant Mineral (APM) performing seasonal biological surveys.

APM is continuing to assess the environmental factors specific to the proposed processing plant location and engaging with the Northern Territory Environment Protection Agency (NTEPA).

## **Project Development Team**

A new executive recruitment program is underway to secure key operations staff to complement TNG's expanding development team. A detailed project structure has been developed and it is expected that key positions will be filled during the March Quarter.

## **Strategic Development**

### **BBI Group and Balla Balla Vanadium deposit**

Test work has now been performed on concentrate from the Balla Balla Vanadium Titanium Iron project under the Heads of Agreement between TNG and the BBI Group. The results of that work are now being reviewed by both parties ahead of discussions on potential commercial options.

### **Vimson Group**

Initial discussions have been held to consider terms for a potential Iron Ore offtake agreement.

## **Commodity Pricing Development**

During the Quarter vanadium prices went down from their historical peaks of Q3 2018 until the first half of January, due to lower industrial activity during the holiday season as well as lower export offers from China.

According to Metal Bulletin, vanadium pentoxide prices reached a low of US\$15/lb in early January before going back up to US\$16/lb at the last assessment. Prices are still at a high level compared to their historical average and renewed activity in mid-January is seeing prices stabilise.

Titanium prices were down slightly in Q4 according to ICIS and Fastmarkets IM. The industry is now in middle of its yearly low demand season (November to February) and experts expect prices to improve towards the end of Q1, 2019.

Following a strong increase in 2017, pig iron quoted by Metal Bulletin have been very stable this year, hovering around the US\$400/t mark for the whole period.

## **OTHER PROJECTS**

### **Cause Extended Mine Project: Nickel-Cobalt (80%: Mesmeric/20%: TNG)**

The Company has a 20% free-carried interest in the Cause Extended Mining Lease. No further information was supplied by Mesmeric Enterprises during the reporting period. The Company requested that a Joint Venture

meeting be held before the end of December 2018 but this did not eventuate. The company has again written to Mesmeric requesting a meeting.

## CORPORATE

### Share Purchase Plan

During the Quarter, TNG raised \$3.87 million (before costs) via its Share Purchase Plan (SPP), which closed on 6 November 2018.

The SPP was well supported, which is a positive result for TNG and reflects the positive outlook for the Company, the Mount Peake Project and its TIVAN® technology.

A total of \$3,865,100 (before costs) was raised, resulting in the issue of 35,459,888 fully-paid ordinary TNG shares (Shares). These Shares were issued on 12 November 2018 in accordance with the revised offer timetable.

Under the terms of the SPP, eligible shareholders were offered the opportunity to subscribe for up to \$15,000 worth of Shares at an issue price of 10.9c per Share.

### Research and Development rebate

TNG received an amount of \$1.55 million as a refundable tax offset under the Federal Government's Research and Development (R&D) tax incentive scheme for eligible R&D activities undertaken during the 2017/18 financial year. See ASX announcement dated 9 November 2018.

TNG's R&D activities relate to its flagship Mount Peake Project, and testwork for the commercial extraction of high-purity vanadium, titanium and iron from vanadiferous-titanomagnetite using the patented TIVAN® hydrometallurgical process.

Under the R&D tax incentive scheme, companies with a turnover of less than \$20 million which undertake R&D activities are entitled to a cash refund of 43.5 cents per eligible dollar spent.

### Export Market Development Grant

The Company has submitted a refund claim for \$150,000 under the Australian Government financial assistance program for aspiring exporters. Refund claims relating to expenditure incurred during the development of TNG's potential export markets with its off-take partners have been claimed. The scheme is administered by AUSTRADE and allows for up to 50% of eligible expenditure to be claimed.

### Annual General Meeting

The Company's Annual General Meeting was held on 29 November 2018. Resolutions 1-7, put to the meeting, were passed on a poll. Resolution 8 (Approval of 10% Placement Facility), being a special resolution, was not passed. The Company notes that while Resolution 1 (Adoption of Remuneration Report) was passed, more than 25% of votes cast on Resolution 1 were against it. As a result, this constitutes a first strike for the purposes of Division 9 of Part 2G.2 of the Corporations Act.

### General Meeting

An Extraordinary Meeting of shareholders was held on 29 November 2018 at the request of certain requisitioning shareholders. The resolution put to that meeting was defeated.

### Investor and Market Engagement

TNG attended the 121 conferences in Hong Kong in October 2018 and London in November 2018 as part of its marketing and investor engagement strategy. It also attended the TiO<sub>2</sub> "Chinacoat" fair together with its offtake partner DKSH in December.

These engagements form part of the Company's ongoing strategy to promote TNG and its products to a global audience.

### Company Secretary

During the Quarter, TNG announced the appointment of Jason Giltay, its General Manager – Commercial, to the role of Company Secretary.

### Todd River Resources

Subsequent to the end of the quarter, TNG's Managing Director Paul Burton resigned from the Board of Todd River Resources (ASX: TRT) to enable him to devote 100% of his time to the financing and development of the world-class Mount Peake Project.

### Cash

TNG had total cash reserves of \$16.75 million at Quarter-end.

Paul Burton  
**Managing Director**

31 January 2019

## Mount Peake Mineral Resources and Ore Reserves

The Mount Peake Mineral Resource estimate set out below (Table 1) was released in an ASX Announcement dated 26 March 2013, "Additional Information on the Mount Peake Resource", and was completed in accordance with the guidelines of the JORC Code (2012). Initial mining and financial assessment work, based on the Mineral Resource, followed (see ASX Announcement – 15 July 2013, "TNG Considers Two-Stage Development Option for Mount Peake Project, NT").

**Table 1 – Mount Peake Mineral Resource estimate**

Category	Tonnes (Mt)	V <sub>2</sub> O <sub>5</sub> %	TiO <sub>2</sub> %	Fe%	Al <sub>2</sub> O <sub>3</sub> %	SiO <sub>2</sub> %
Measured	120	0.29	5.5	24	8.2	33
Indicated	20	0.28	5.3	22	9.1	34
Inferred	22	0.22	4.4	19	10.0	38
<b>TOTAL</b>	<b>160</b>	<b>0.28</b>	<b>5.3</b>	<b>23</b>	<b>8.6</b>	<b>34</b>

Note: Mineral Resource is inclusive of Ore Reserves. Tonnage and grade figures in tables have been rounded and small discrepancies in totals may occur. Ore Reserve is reported using a 0.1% V<sub>2</sub>O<sub>5</sub> cut-off. TNG is not aware of any new information or data that materially affects the mineral resource estimate included in the 26 March 2013 ASX Announcement and all material assumptions and technical parameters underpinning the assessment provided in that announcement continue to apply.

### Ore Reserve

The Mount Peake Ore Reserve estimate (Table 2) was reported in an ASX Announcement dated July 31 2015, ("Mount Peake Feasibility Study confirms a world – class project capable of delivering outstanding returns over long life").

**Table 2 – Mount Peake Ore Reserve estimate**

Category	Tonnes (Mt)	V <sub>2</sub> O <sub>5</sub> %	TiO <sub>2</sub> %	Fe%
<b>Proven</b>	0	-	-	-
<b>Probable</b>	41.1	0.42	7.99	28.0
<b>TOTAL</b>	<b>41.1</b>	<b>0.42</b>	<b>7.99</b>	<b>28.0</b>

Note: Tonnage and grade figures in tables have been rounded to 2 or 3 significant figures and as a result small discrepancies may occur due to the effect of rounding. Ore Reserve is reported using a 15% Fe cut-off. TNG is not aware of any new information or data that materially affects the Ore Reserve estimate reported in the 31 July 2015 ASX Announcement and all material assumptions and technical parameters underpinning the assessment provided in that announcement continue to apply.

## Tenement Schedule

The Group holds an interest in the following tenements as at 31 December 2018:

Project	Mineral and ancillary Titles	Holder and TNG Equity
Mount Peake	EL27069, EL27070, EL27941, EL29578, EL30483, EL31389, EL31850, ML28341, ML29855, ML29856, ML30686, AA31105, AA32037	Enigma Mining Limited 100%
Cawse Extended	M24/547, M24/548, M24/549, M24/550	TNG 20% free carried to production, or can be converted to a 2% net smelter return on ore mined. Unicorn Pit is now excised and a wet tonne royalty applies.
Kintore East	M16/545	Evolution Mining (Mungarri) Pty Ltd. TNG 2% gold return interest on production.



## Competent Person's Statements

The information in this report that relates to the Mount Peake Mineral Resource estimates is extracted from an ASX Announcement dated 26 March 2013, (see ASX Announcement – 26 March 2013, “Additional Information on the Mount Peake Resource”, [www.tngltd.com.au](http://www.tngltd.com.au) and [www.asx.com.au](http://www.asx.com.au) ), and was completed in accordance with the guidelines of the JORC Code (2012). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the Mineral Resource estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are represented have not been materially modified from the original market announcement.

The information in this report that relates to the Mount Peake Ore Reserve estimate is extracted from an ASX Announcement dated July 31 2015, (“Mount Peake Feasibility Study confirms a world – class project capable of delivering outstanding returns over long life”, [www.tngltd.com.au](http://www.tngltd.com.au) and [www.asx.com.au](http://www.asx.com.au) ), and was completed in accordance with the guidelines of the JORC Code (2012). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the Ore Reserve estimate in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are represented have not been materially modified from the original market announcement.

## Production Targets and Financial Information

Information in relation to the Mount Peake Definitive Feasibility, including production targets and financial information, included in this report is extracted from an ASX Announcement dated 20 November 2017, (see ASX Announcement – 20 November 2017, “Updated Feasibility Study Results”, [www.tngltd.com.au](http://www.tngltd.com.au) and [www.asx.com.au](http://www.asx.com.au)). The Company confirms that all material assumptions underpinning the production target and financial information set out in the announcement released on 31 July 2015 continue to apply and have not materially changed.

## 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**

TNG Limited

**ABN**

12 000 817 023

**Quarter ended ("current quarter")**

31 December 2018

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(1,208)	(2,112)
(b) development		
(c) production		
(d) staff costs	(507)	(878)
(e) administration and corporate costs	(1,145)	(1,737)
1.3 Dividends received (see note 3)		
1.4 Interest received	34	67
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds	1,551	1,551
1.8 Other (TRT oncharge as per administrative services agreement)	171	335
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,104)</b>	<b>(2,774)</b>

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(3)	(44)
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets-security deposits		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other – security deposit	(100)	(67)
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(103)</b>	<b>(111)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	4,232	13,983
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	(82)	(82)
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)		
<b>3.10 Net cash from / (used in) financing activities</b>	<b>4,150</b>	<b>13,901</b>

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	13,802	5,729
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,104)	(2,774)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(103)	(111)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	4,150	13,901
4.5 Effect of movement in exchange rates on cash held		
<b>4.6 Cash and cash equivalents at end of period</b>	<b>16,745</b>	<b>16,745</b>

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	1,745	10,802
5.2 Call deposits	15,000	3,000
5.3 Bank overdrafts		
5.4 Other (provide details)		
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>16,745</b>	<b>13,802</b>

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	229
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	

7. <b>Payments to related entities of the entity and their associates</b>	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. <b>Financing facilities available</b> <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. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Engineering and evaluation	(3,491)
9.2 Development	
9.3 Production	
9.4 Staff costs	(530)
9.5 Administration and corporate costs	(650)
9.6 Other (provide details if material)	
<b>9.7 Total estimated cash outflows</b>	<b>(4,671)</b>

## 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	ML28341 ML29855 ML29856 ML30686 EL31850	Granted Granted Granted Granted Granted		

**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:



Date: 31 January 2019

Print name: Jason Giltay  
(Company Secretary)

**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.