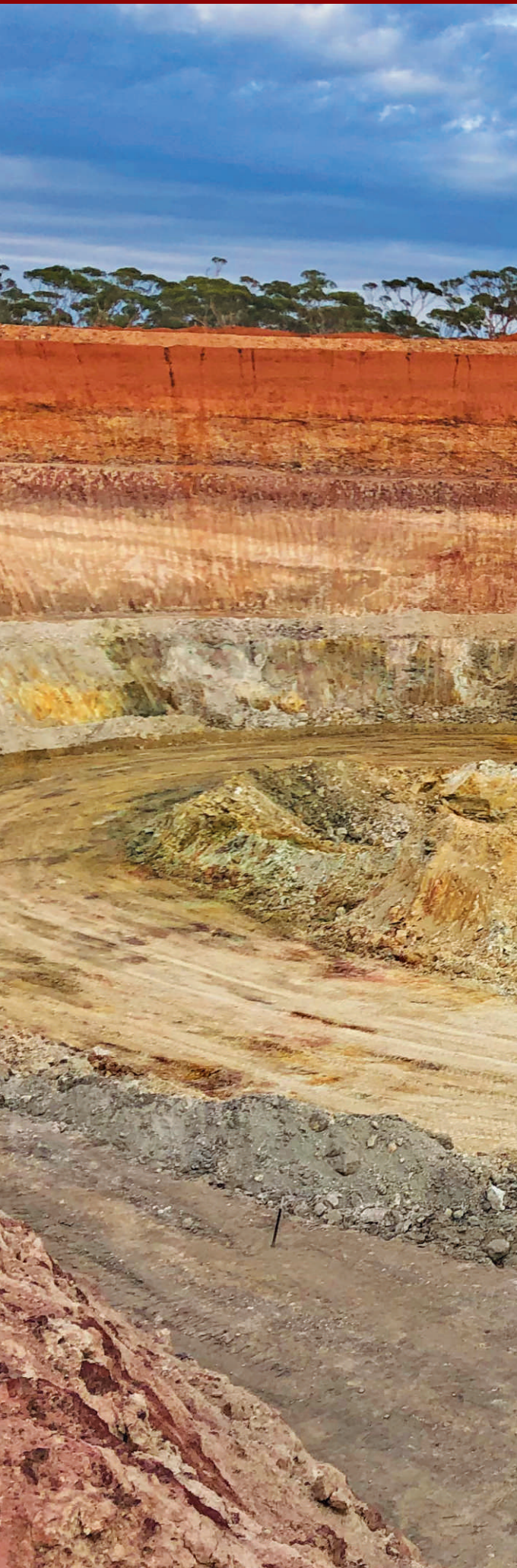




COOLGARDIE
MINERALS LIMITED



QUARTERLY REPORT
DECEMBER 2018



Coolgardie Minerals Limited (**CM1** or the **Company**) is pleased to present its quarterly report for the period 1 October 2018 to 31 December 2018.

QUARTER HIGHLIGHTS

- Stage 1 mining of the Geko supergene ore completed - delivering \$1.668m in revenue from the sale of ore to Northern Star Resources (**Northern Star**).
- A comprehensive review of the Geko operations was completed - resulting in optimised mine plan and a 35% increase in the mined grade above the Mining Reserve grade of 4.40g/t to 5.94g/t Au in final mined areas of Stage 1.
- \$1.5 million raised (before costs) through the issue of secured convertible notes to sophisticated investors.
- Geko near mine exploration drilling commenced with promising initial results.

OPERATIONS

Geko Project

First gold ore production from the Geko open pit operations commenced in late October. As at 31 December, one package of ore has been sold to Northern Star part of the Ore Sale Agreement executed in September, delivering net revenue of \$1.668 million (excluding GST) during the quarter.

The sold ore represented the high-grade supergene zone located in the western area of the pit, and the conclusion of Stage 1 mining of Geko under the revised mine plan.

A collaborative mining review with the mining contractor, SMS Mining Services (**SMS**) was undertaken to reduce mining dilution within the ore zones and will see Geko mined in three stages.

An increase in grade control density has better defined the ore zones, with drill spacing being halved to 6m line spacing with 5.5m hole spacings.

Experienced mining engineer and operations manager, Garry Mills was appointed as the Geko Project Manager in December 2018.

Revised Mine Plan

Stage 1 – Mining of high-grade supergene zone, completed 31 December 2018. The final physical results from Stage 1 were 7,980 tonnes at 5.94g/t Au containing gold of 1,524oz. The 35% increase in the mined grade—above the Mining Reserve grade of 4.40g/t to 5.94g/t Au—in this ore zone was a direct result of the mine review conducted by the Company. In addition, 50,200 tonnes at 1.09g/t Au were stockpiled for future toll milling.



Geko open pit

Safety

The operation has maintained a high level of safety compliance with no lost-time injury or significant incidents recorded to date. The combined safety management systems of CM1 and mining contractor, SMS have resulted in a productive and safe working environment.

Survey and GPS system

During the quarter, the TOPCON RTK GPS system was installed, which enabled a fully integrated machine control and survey system, controlled by the survey department which will accurately define ore zones within the Geko pit.

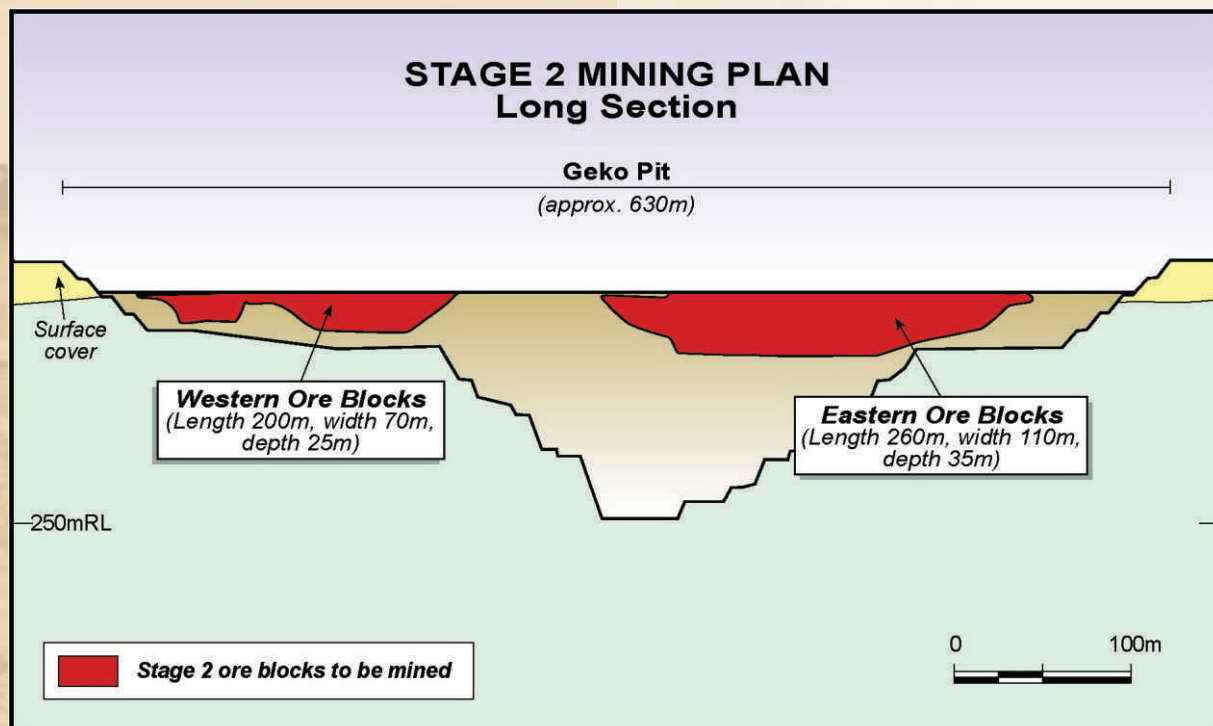
Future Mine Production – Stage 2 and 3

Stage 2 – Mining of higher-grade oxide component of the orebody, commenced in January 2019.

Stage 2 is expected to mine 260,000 tonnes of ore at a mined grade of 2.23g/t Au, containing 18,640oz of gold. The oxide ore mined from Stage 2 with a grade above 2.75g/t Au (about 50,000 tonnes) will be offered to Northern Star under the previously announced Ore Sale Agreement.

Ore sale negotiations and toll milling options for the remaining ore on the mined stockpile are underway with other parties. Northern Star has the option to purchase an additional circa 90,000 tonnes of oxide ore with a grade above 2.75g/t Au before 31 March 2019.

Stage 3 – Mining of remainder of the orebody. Stage 3, which is expected to mine circa 1.3m tonnes at 1.7 g/t Au, containing 71,000oz—subject to securing a Toll Milling Agreement acceptable to the Company—is expected to commence following the completion of Stage 2.



Stage 2 Mining Plan – Long Section

GEOLOGY

In-pit Reverse Circulation (RC) Grade Control drilling continued to focus on the supergene mineralisation to enable grade estimations to take place prior to mining of the material. Late in the quarter, drilling also began to target deeper oxide mineralisation in preparation for mining Stage 2. Higher than expected grade variability and mine dilution within the supergene ore zone resulted in stockpile grade estimations falling significantly short of the expected mine grades.

A closer spaced drilling pattern has commenced in the western end of the pit to counter the grade variability issue and reduce mine dilution. While mining ore, geological observations allowed material fringing on the interpreted ore blocks to be assessed through

resampling. Assay results from this have defined approximately 1,500 tonnes of additional ore grade material in the quarter, suitable to meet the criteria of the Northern Star contract.

As mining in January 2019 has begun to expose more competent oxide material, a campaign of mapping has identified numerous structures that host gold mineralisation. These structures have been extrapolated down dip in order to refine the resource interpretation and enhance the estimation of future mining inventory. Geological mapping and structural interpretation will be an ongoing process while mining progresses along with grade control processes.

EXPLORATION

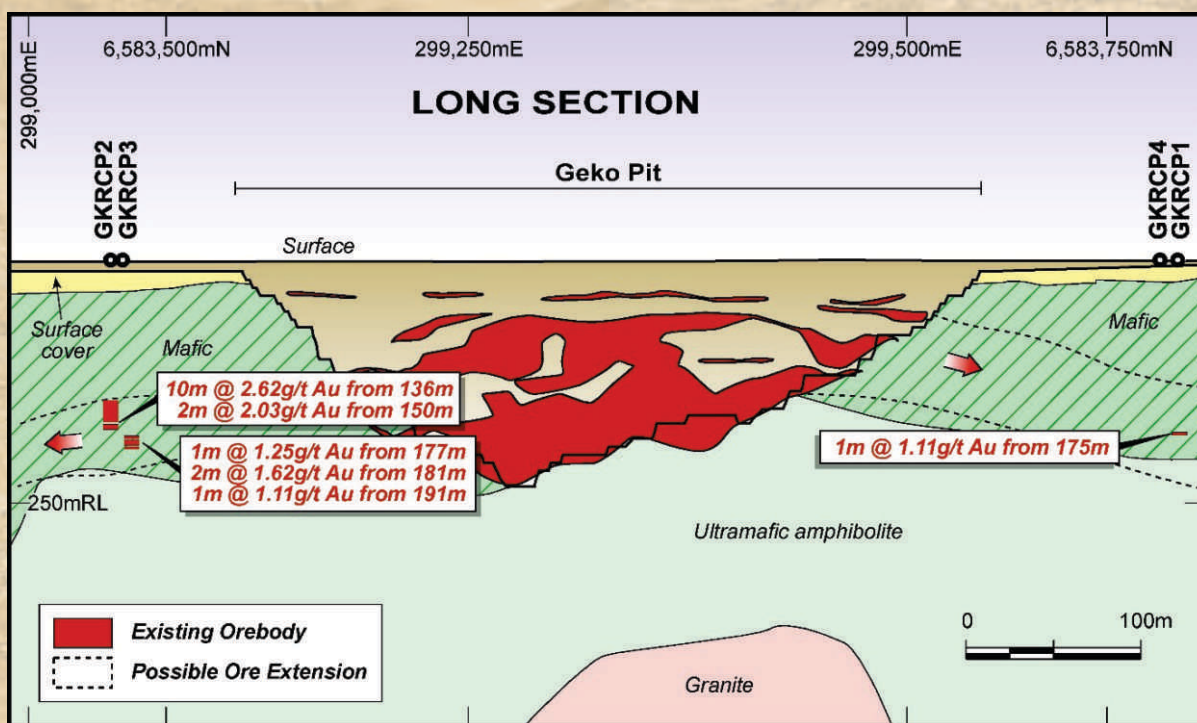
Geko Exploration

Four reverse circulation holes were drilled in the quarter to test the eastern and western extensions of the ultramafic amphibolite contact that hosts the Geko resource. The holes were targeted to intersect the prospective part of the contact where it steepens to test the 3D geological interpretation and intersect the down plunge position of the Geko resource.

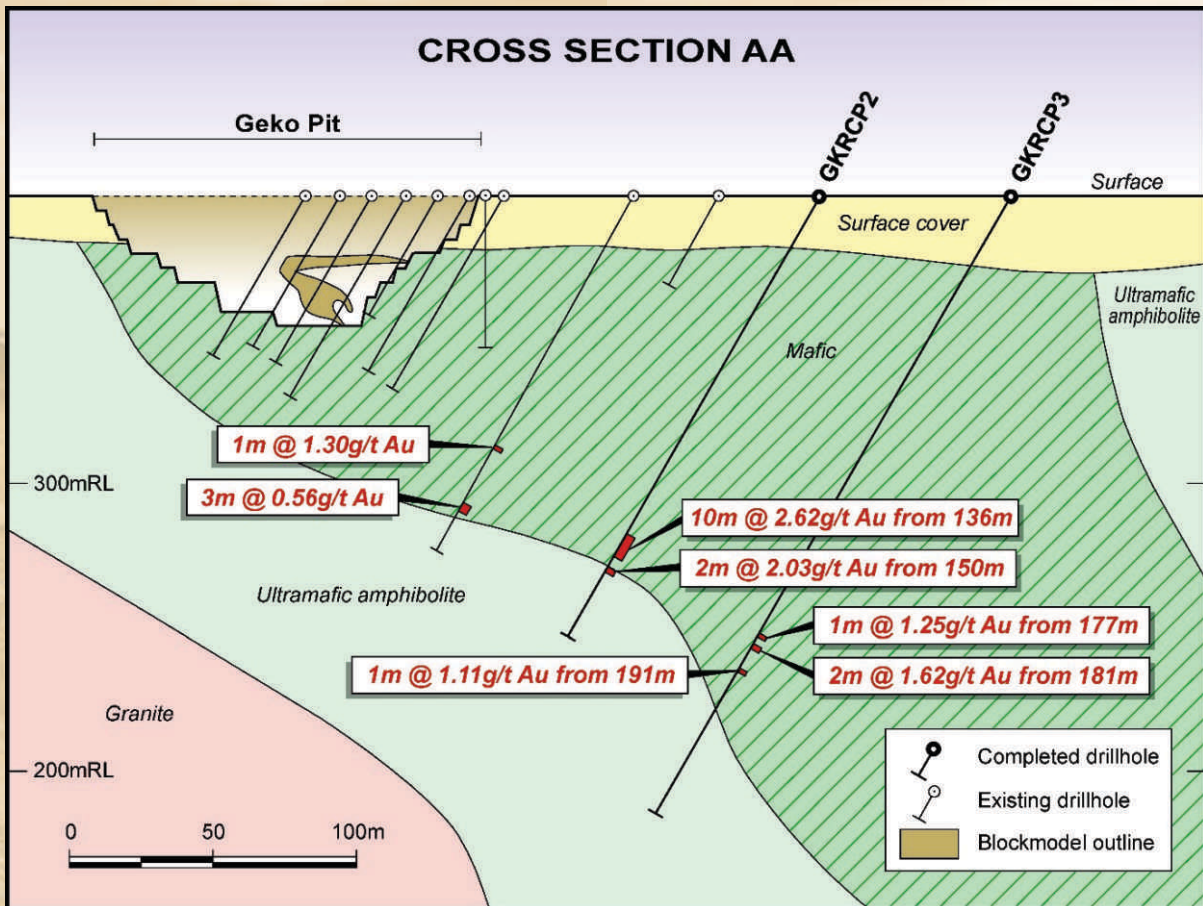
All three completed holes that intersected the mafic/ultramafic contact also intersected gold

mineralisation in the target zone, including GKRCP2; 10m @ 2.62g/t Au which is approx. 270m from the current pit design. Drilling ceased at 100m downhole depth on hole GKRCP4 east side of the pit to allow a diamond tail to be drilled for further structural information at a later date.

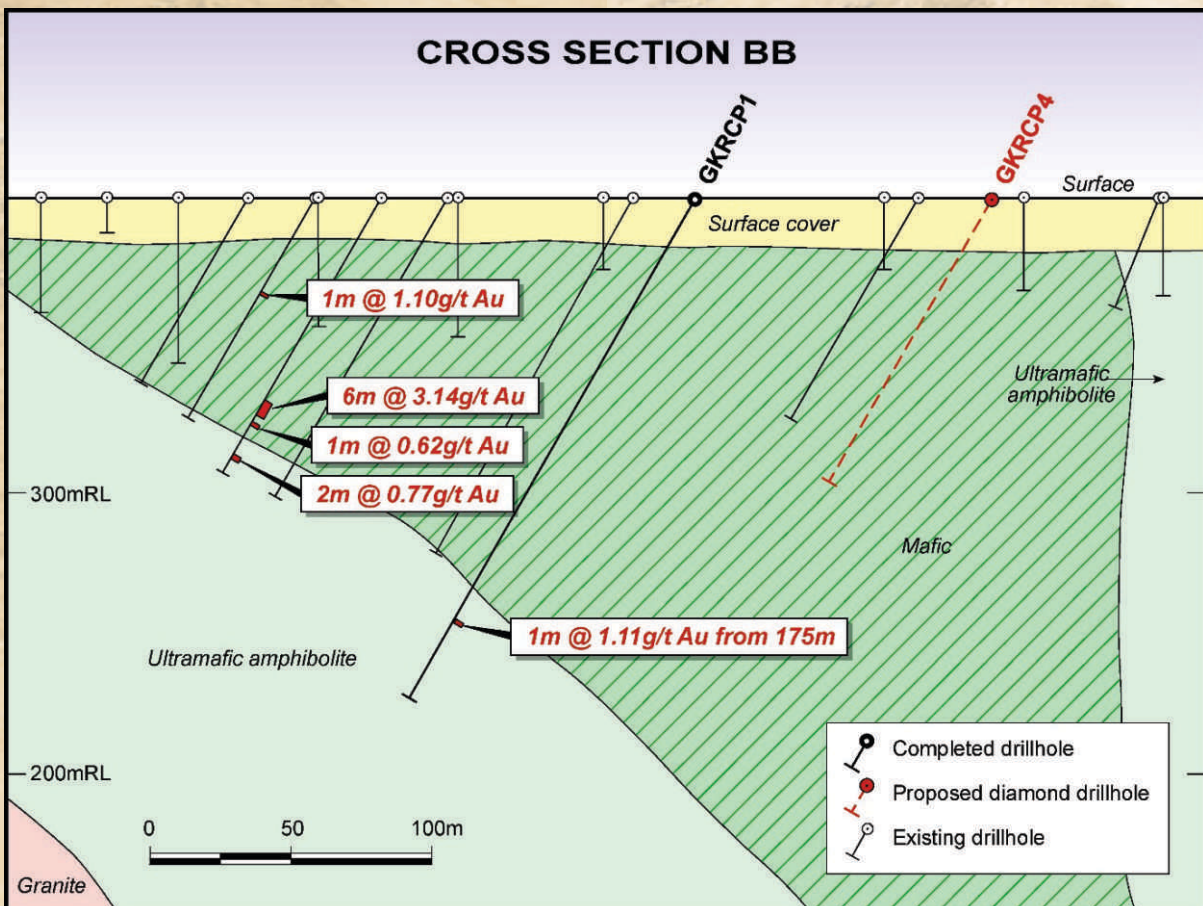
Additional holes have been planned for the March quarter to follow up these impressive initial results.



Location of RC holes in relation to the Geko pit looking north

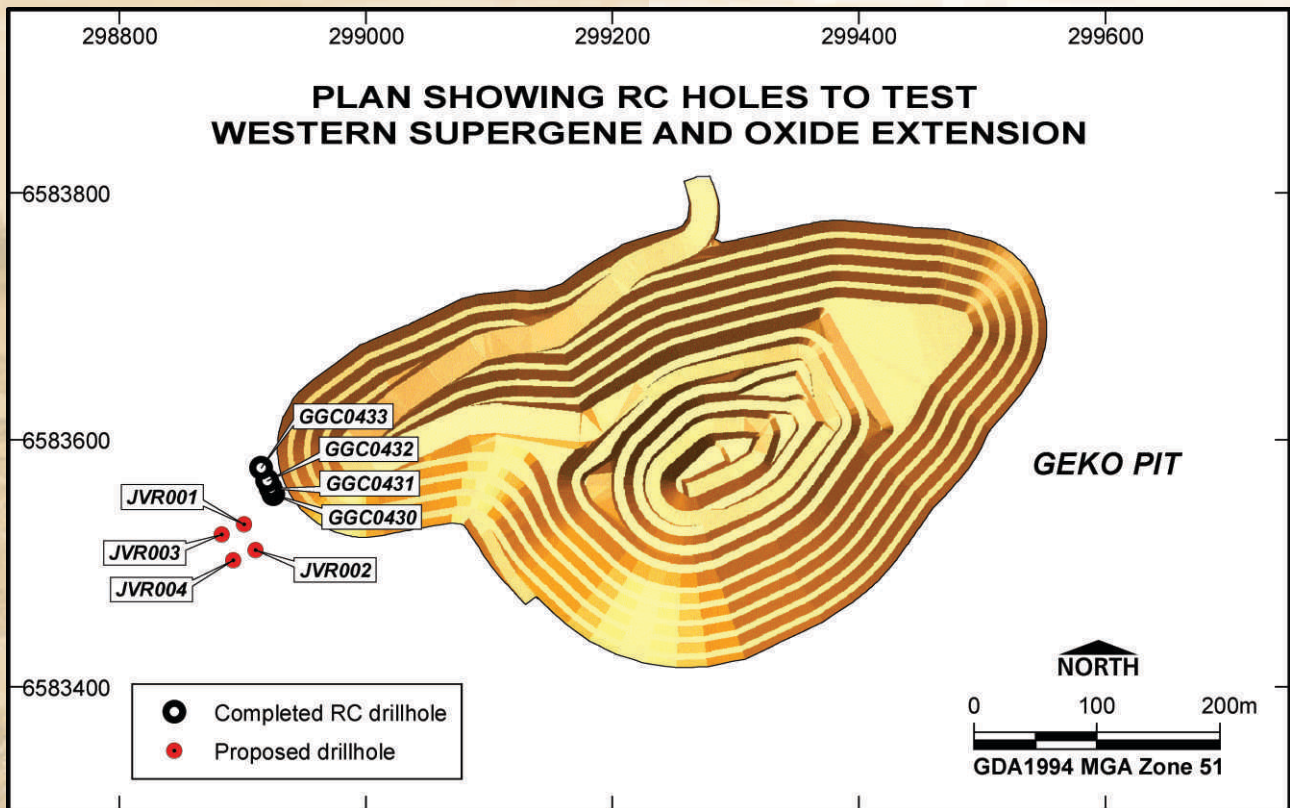


Section AA: Two holes (GKRCP2 & GKRCP3) targeting ultramafic/mafic contact west of current Geko pit

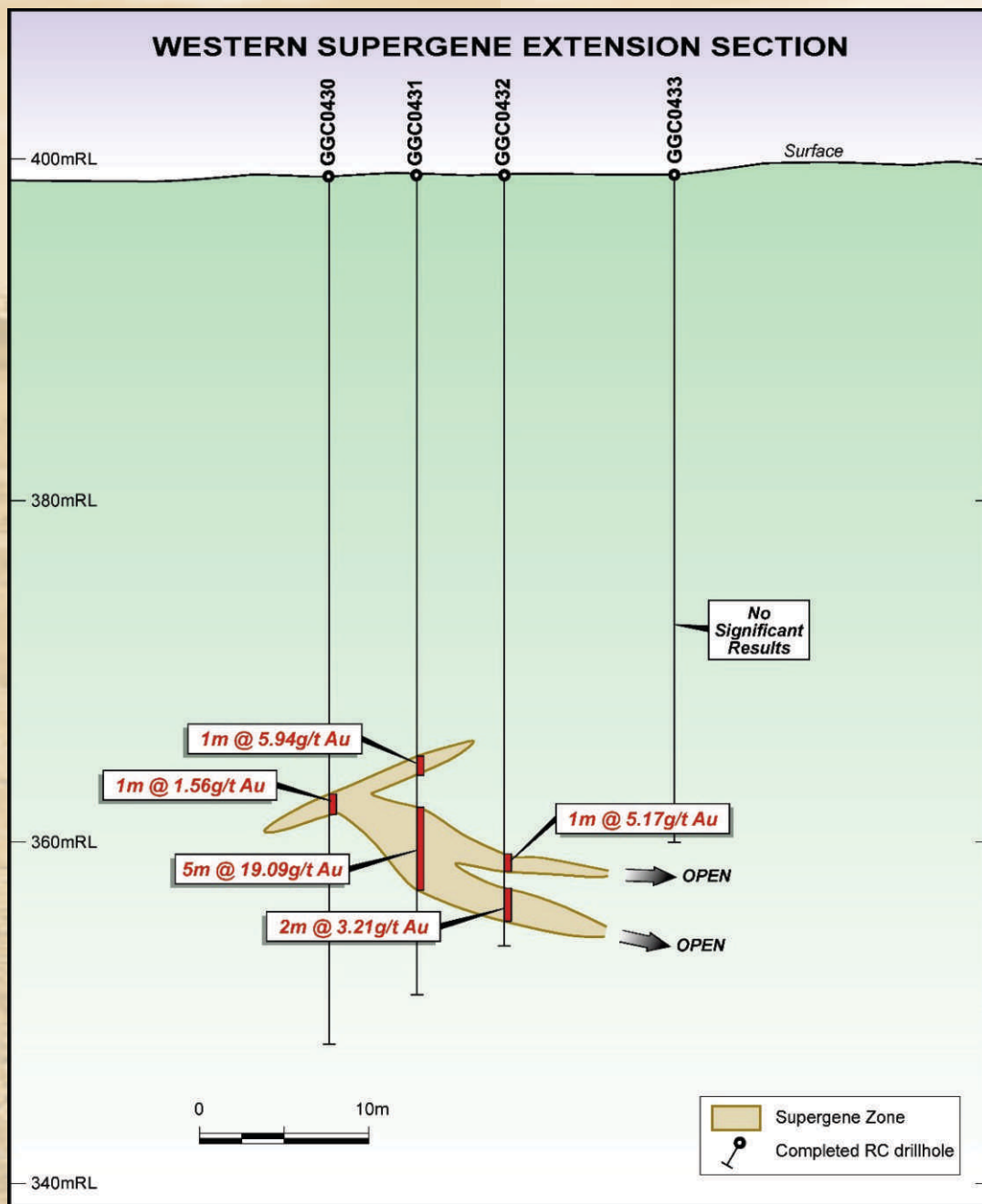


Section BB: Two holes (GKRCP1 & GKRCP4) targeting ultramafic/mafic contact 200m east of current Geko pit

In addition, four vertical RC holes were drilled to test the western extension of the supergene zone outside of the existing pit perimeter. The results have proven that the high-grade supergene zone extends to the west.



RC holes JVR001 - JVR004 planned to test the oxide mineralisation west of the current pit have not been drilled to date.



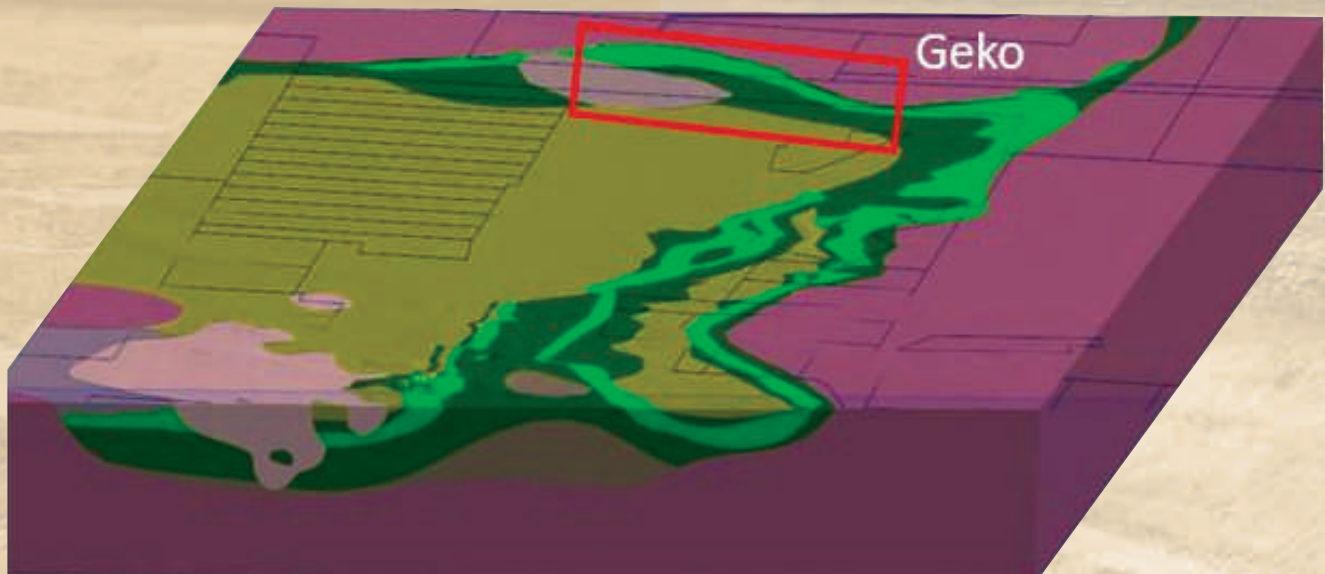
Four vertical holes completed to test supergene extensions to the west of the current Geko pit

Hole ID	Northing	Easting	Depth	Dip °	Azi °	From (m)	To (m)	Interval (m)	Grade (g/t Au)
GGC0430	6583555	298921	51	-90	0	36	37	1	1.56
GGC0431	6583561	298919	48	-90	0	34	35	1	5.94
						37	42	5	19.09
GGC0432	6583566	298918	45	-90	0	40	41	1	5.17
						42	44	2	3.21
GGC0433	6583577	298915	39	-90	0	No significant intercepts			

All significant results

Regional Exploration

A regional surface predictive map has been completed to identify the most important maps to convert to 3D for a 3D prospectivity model, now underway. This exercise was conducted after a review of the geology confirmed that gold mineralisation in the Bullabulling Goldfield is not confined to a major regional shear zone (the Bullabulling Shear Zone) as previously thought, and consequently, the distribution of gold mineralisation is more extensive than originally believed. The prospectivity of the goldfield has been underestimated and exploration not effectively targeted because of this.



3D Geology map compiled to identify untested priority prospective zones throughout the region

FINANCE

The 31 December 2018 cash balance was \$2.064m.

During the quarter, the Company entered into financial arrangements to provide additional flexibility in managing its working capital by raising \$1.5m (before costs) through the issue of convertible notes. An agreement was reached with SMS to extend the payment terms in relation to \$9.39 million of outstanding mining related invoices. The arrangement also required SMS to be provided with security over CM1's assets to secure repayment of the amount owing (refer ASX announcement dated 17 December 2018).

Subsequent to the quarter end, and of the \$9.39m due to SMS, the Company and SMS have agreed for \$7.3m payment to be deferred to the quarter ending 30 June 2019.

The Company has also entered into loan agreements with certain Directors and related parties for total borrowings of \$1.06 million. These loans are subject to monthly interest payments at 16% with the principal repayable on 31 October 2019. The loans share second ranked security with the amount due to SMS over the assets of the company. Further information on the above noted financial arrangements is detailed in the ASX announcement dated 17 December 2018.

During the quarter, the Company optimised its mine plan to comprise of 3 stages as announced on 17 December 2018. Stage 1 mining was completed during the quarter, with approximately 7,980 tonnes of ore being mined and sold to Northern Star. This ore sale resulted in the Company receiving \$1.668 million in revenue (refer ASX announcement dated 31 December 2018).

During January 2019, the Company commenced Stage 2 of the mine plan which is expected to result in the mining of 260,000 tonnes of ore at a grade of 2.23g/t Au to contain a total of approximately 18.5k oz.

The oxide ore mined from Stage 2 with a grade above 2.75g/t Au (about 50,000 tonnes) will be offered to Northern Star Resources for sale under the previously announced Ore Sale Agreement (refer ASX announcement 21 January 2019). Expected net revenue from the sale of this ore is estimated to be in excess of \$8 million.

The remaining Stage 2 ore is expected to be processed under toll treatment arrangements currently being discussed with third parties which the Company expects will provide further significant gold sale revenue.

CORPORATE

The Company held its 2018 Annual General Meeting (**AGM**) on 29 November 2018 with all resolutions being passed.

On 21 December 2018, Mr Paul Jago resigned from his role as Non-executive Director to concentrate on his role as Managing Director of another ASX listed mining company. Mr Jago had been a Director of the Company for six and a half years and made a substantial contribution to both the CM1 Board and the Company during his tenure.

450,000 fully paid ordinary shares were released from ASX escrow on 20 October 2018. As noted above, 1,500,000 Convertible Notes each with a face value of \$1 were issued on 17 December 2018. On 28 December 2018, the following securities were issued:

- 300,000 vested performance rights (Tranche 1) and 600,000 performance rights (Tranche 2 and 3) were issued to the Managing Director as approved at the AGM.
- 520,613 fully paid ordinary shares were issued in lieu of investor relations services provided to the Company.
- 350,000 fully paid ordinary shares were issued to the Directors of the Company (or their nominees) as approved at the AGM as part of their FY2018 remuneration packages.

CONTACT DETAILS

Shareholder Enquiries

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Managing Director
enquiries@cm1.com.au

Media Enquiries

Katryn Fremlin
Brand One
kfremlin@brand-one.com.au

TENEMENT SCHEDULE

Project/Location	Tenement Number	Status	Interest %
Bullabulling	L15/229	GRANTED	100%
Bullabulling	L15/355	GRANTED	100%
North Bullabulling	E15/1452	GRANTED	100%
Bullabulling	E15/1561	GRANTED	100%
North Bullabulling	E15/1569	GRANTED	100%
North Bullabulling	E15/1591	GRANTED	100%
North Bullabulling	E15/1606	GRANTED	100%
North Bullabulling	E15/1607	GRANTED	100%
North Bullabulling	M15/59	GRANTED	100%
North Bullabulling	M15/467	GRANTED	100%
North Bullabulling	M15/549	GRANTED	100%
North Bullabulling	M15/621	GRANTED	100%
North Bullabulling	M15/901	GRANTED	100%
North Bullabulling	M15/1260	GRANTED	100%
North Bullabulling	M15/1791	GRANTED	100%
North Bullabulling	M15/1807	GRANTED	100%
North Bullabulling	M15/826	GRANTED	100%
North Bullabulling	M15/1035	GRANTED	100%
North Bullabulling	M15/1083	GRANTED	100%
North Bullabulling	M15/1454	GRANTED	100%
North Bullabulling	P15/5508	GRANTED	100%
North Bullabulling	P15/5577	GRANTED	100%
North Bullabulling	P15/5578	GRANTED	100%
North Bullabulling	P15/5579	GRANTED	100%
North Bullabulling	P15/5580	GRANTED	100%
North Bullabulling	P15/5581	GRANTED	100%
North Bullabulling	P15/5582	GRANTED	100%
North Bullabulling	P15/5583	GRANTED	100%
North Bullabulling	P15/5584	GRANTED	100%
North Bullabulling	P15/5585	GRANTED	100%
North Bullabulling	P15/5586	GRANTED	100%
North Bullabulling	P15/5587	GRANTED	100%
North Bullabulling	P15/5588	GRANTED	100%
North Bullabulling	P15/5589	GRANTED	100%
North Bullabulling	P15/5590	GRANTED	100%
North Bullabulling	P15/5591	GRANTED	100%
North Bullabulling	P15/5592	GRANTED	100%
North Bullabulling	P15/5593	GRANTED	100%

Project/Location	Tenement Number	Status	Interest %
North Bullabulling	P15/5600	GRANTED	100%
North Bullabulling	P15/5601	GRANTED	100%
North Bullabulling	P15/5602	GRANTED	100%
North Bullabulling	P15/5603	GRANTED	100%
North Bullabulling	P15/5604	GRANTED	100%
North Bullabulling	P15/5605	GRANTED	100%
South Bullabulling	P15/5594	GRANTED	100%
South Bullabulling	P15/5595	GRANTED	100%
South Bullabulling	P15/5596	GRANTED	100%
South Bullabulling	P15/5597	GRANTED	100%
South Bullabulling	P15/5598	GRANTED	100%
South Bullabulling	P15/5599	GRANTED	100%
South Bullabulling	P15/5606	GRANTED	100%
South Bullabulling	P15/5607	GRANTED	100%
South Bullabulling	P15/5608	GRANTED	100%
South Bullabulling	P15/5609	GRANTED	100%
South Bullabulling	P15/5610	GRANTED	100%
South Bullabulling	P15/5611	GRANTED	100%
South Bullabulling	P15/5612	GRANTED	100%
South Bullabulling	P15/5613	GRANTED	100%
South Bullabulling	P15/5614	GRANTED	100%
South Bullabulling	P15/5615	GRANTED	100%
South Bullabulling	P15/5616	GRANTED	100%
South Bullabulling	P15/5617	GRANTED	100%
South Bullabulling	P15/5618	GRANTED	100%
South Bullabulling	P15/5619	GRANTED	100%
South Bullabulling	P15/5620	GRANTED	100%
North Bullabulling	P15/5904	GRANTED	100%
North Bullabulling	P15/5932	GRANTED	100%

Key to Tenement Schedule

- P Prospecting Licence
- E Exploration Licence
- M Mining Lease

COMPETENT PERSON'S STATEMENT

Simon Urgine

The information that relates to exploration results/mineral resources is based on information compiled and conclusions derived by a third party and was reviewed by Mr Simon Urgine, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Simon Urgine has sufficient experience that is relevant to the Technical Assessment of the Mineral Assets under consideration, the style of mineralisation and types of deposit under consideration and to the activity been under taken to qualify as a Competent Person as defined in the 2012 addition of the "Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves". Simon Urgine is a full-time employee of Coolgardie Minerals Limited and consents to the inclusion in the report of the matters based on the information reviewed in the form and context in which it appears.

Greg Partington

The information in this report that relates to exploration results is based on information compiled and conclusions derived by Dr Greg Partington. Dr Partington is Managing Director of Kenex Pty Ltd. Dr Partington is a Competent Person who is a Member of AUSIMM Dr Partington has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Partington consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



COOLGARDIE
MINERALS LIMITED

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

Coolgardie Minerals Limited

ABN

53 145 676 900

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	1835	1835
1.2	Payments for		
	(a) exploration & evaluation	(131)	(941)
	(b) development	(1751)	(2145)
	(c) production	0	0
	(d) staff costs	(288)	(450)
	(e) administration and corporate costs	(339)	(929)
1.3	Dividends received (see note 3)		0
1.4	Interest received		0
1.5	Interest and other costs of finance paid		(37)
1.6	Income taxes paid		0
1.7	Research and development refunds		0
1.8	Other (provide details if material)		97
1.9	Net cash from / (used in) operating activities	(671)	(2566)

Year to date development costs have been adjusted by \$126,000, due to being incorrectly reported as staff costs in the September 2018 5B report.

2	Cash flows from investing activities		
2.1	Payment to acquire:		
	(a) property plant and equipment	(33)	(65)
	(b) tenements (see item 10)	(50)	(106)

Mining exploration entity and oil and gas exploration entity quarterly report

0	(c) investments/ royalty	(534)	(684)
	(d) other non-current assets		0
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	0	0
	(b) tenements (see item 10)	0	0
	(c) investments	0	0
	(d) other non-current assets		0
2.3	Cash flows from loans to other entities	0	0
2.4	Dividends received (see note 3)	0	0
2.5	Other (provide details if material)	0	0
2.6	Net cash from/(used in) investing activities	(618)	(856)

3	Cash flows from financing activities		
3.1	Proceeds from issues of shares.	0	4251
3.2	Proceeds from issue of convertible notes	0	0
3.3	Proceeds from exercise of share options		0
3.4	Transaction costs related to issue of shares, convertible notes or options	(252)	(655)
3.5	Proceeds from borrowings	2080	2435
3.6	Repayment of borrowings	(25)	(480)
3.7	Transaction costs related to loans and borrowings	(110)	(110)
3.8	Dividends paid	0	0
3.9	(1) Share Application monies held on Trust	0	0
	(2) Bank Guarantee		0
3.10	Net cash from / (used in) financing activities	1693	5441

4	Net increase/(decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1660	45
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(671)	(2566)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(618)	(856)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1693	5441
4.5	Effect of movement in exchange rates on cash held	0	0

Mining exploration entity and oil and gas exploration entity quarterly report

4.6	Cash and cash equivalents at end of period	2064	2064
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5	Reconciliation of cash and cash equivalents	Current quarter \$A'000	Previous quarter \$A'000
	at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1	Bank balances	2064	
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)	2064	

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 items 6.1 and 6.2

Current quarter \$A'000
26

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
-
-

8 Financing facilities available

Add notes as necessary for an understanding of the position

- 8.1 Loan facilities
- 8.2 Credit standby arrangements
- 8.3 Other (please specify)

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end
8.1	1060	
8.2	-	
8.3	1500	

- 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.

8.1 : The loan facilities are loans from Directors N Warburton and an associate of G Martin for \$780,000 and \$280,000 respectively at an interest rate of 16% with the loans secured over the assets of the Company.

8.3 : The other financing facility for \$1.5m is a Convertible Note issued to unrelated parties at an interest rate of 10% per annum is secured over the assets of the Company.

Further details of the facilities can be found in a release to the ASX on 17 December 2018.

9	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	319
9.2	Development	7533
9.3	Production	-
9.4	Staff costs	341
9.5	Administration and corporate costs	1316
9.6	Other (provide details if material)	409
9.7	Total estimated cash outflows	9,919

Note:

The Company expects to receive AUD 8.6 million in revenue in the next quarter from ore sales at the mine gate from Geko Project to Northern Star Resources as announced on 7 September, 2018.

Additionally the Company expects to receive \$150,000 from the sale of low grade stockpile to third parties.

The Company has re-negotiated settlement of the outstanding amount due to SMS Innovative Mining of \$7.3 million previously scheduled for payment in the March 2019 quarter with payment now deferred to the June 2019 Quarter.


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				
	(a)	P15/5504 Bullabulling	100%	100%	-
	(b)	P15/5505 Bullabulling	100%	100%	-
	(c)	P15/5506 Bullabulling	100%	100%	-
	(d)	P15/5507 Bullabulling	100%	100%	-
10.2	Interests in mining tenements and			-	-

Mining exploration entity and oil and gas exploration entity quarterly report

	petroleum tenements acquired or increased				
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Compliance statement

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

Sign here: 
(Director/Company secretary)

Date: 31 January 2019

Print name: Bradd Granville

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.



COOLGARDIE

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