ASX ANNOUNCEMENT **11 JULY 2019**

JUNE 2019 QUARTERLY ACTIVITIES & CASH FLOW REPORT

1. HIGHLIGHTS

Upstream – McIntosh Joint Venture (MJV) Project (51% Mineral Resources Limited: 49% Hexagon):

- **Feasibility Study is progressing**
  - Testwork underway in China to define a process flowsheet, expected to be completed in August 2019.
  - The MJV partners are negotiating a new timeline for key milestone dates to accommodate delays to the testwork program following recent advice from Mineral Resources. This includes the completion of a feasibility study and other MJV planning issues, as well as review by MinRes of Hexagon's downstream processing opportunities.

Downstream – Advanced Particle Business (100% Hexagon):

- **Positive Scoping Study for advanced graphite purification and processing plant (GPPP) highlights opportunity to capture significant margins from downstream of the graphite supply chain.**
  - Scoping Study is based on a standalone advanced graphite processing plant sourcing feedstock on an arms-length commercial basis from third-party producers.
  - Suite of end products comprises premium materials across battery and technical/industrial sectors.
  - Preferred location for the GPPP is in Washington State, USA.
  - Hexagon to progress to a Feasibility Study to allow for a final investment decision on GPPP development.

CHARGE MINERALS, USA (80% Hexagon)

- **Exploration underway to fast-track assessment and development of Ceylon Mine Graphite Project**
  - Mapping and trench sampling completed during June; results expected July 2019.
  - Bulk sampling to produce concentrate samples for marketing and downstream testwork planned to commence mid July.
  - Cherie Leeden, former founding director of ASX listed Battery Minerals joins the Board of Charge Minerals.

CORPORATE

- **Closing cash position for the Quarter of $4.20 million**
  - Sufficient for the 2020 financial year work program and budget.

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2. COMMENTARY & OUTLOOK

The highlight of Hexagon's June 2019 quarter was the completion and release of its Scoping Study[1] examining the viability of the Company developing a standalone advanced graphite purification and processing plant (GPPP), sourcing feedstock on an arms-length commercial basis from third-party producers. The downstream business is now collectively referred to the "Advanced Particle" business highlighting the high technical specifications of the products and a clear departure from mining related activities and processes.

The study generated strong financial results and highlighted the opportunity for Hexagon to deliver impressive margins by value-adding in the downstream graphite supply chain, with a post-tax Net Present Value (NPV) ranging from $594 million to $958 million and a post-tax Internal Rate of Return (IRR) ranging from 32% to 49% (refer Table 1).

Based on the positive results of the study, which are outlined in more detail in this report, HXG plans to move ahead on feasibility study work, in particular, purification trials through the pilot scale electrothermal fluidised bed furnace currently nearing completion in the US. First stage purification is a core innovative element of Hexagon's proposed downstream flow sheet designed to achieve +90% yields of graphite concentrates into high-end graphite products compared to more typical 30% to 50% yields. Hexagon plans to pilot samples from its US project, MJV project and other possible third-party sources for amenability to purification, micronising and spheroidising to demonstrate ability to meet customer's specifications. The Company is currently pursuing various options to advance the commercialisation of its Advanced Particle business with the core objective of fast-tracking toward positive cash flow.

The McIntosh Project is a core asset for the Company as a potential upstream source of high-quality feedstocks for its planned downstream processing. The MJV with MinRes is an important relationship for the Company to develop the project subject to a positive feasibility study. The MJV is undertaking additional testwork to optimise concentrate grade and flake size preservation, which form core inputs into the other facets of the feasibility study. MinRes has recently informed the Company that certain key milestones dates, such as completion of the Feasibility Study by mid November 2019, will not be able to be met due to the delay in completing this testwork and would need to be extended. Other MJV work is waiting on, amongst other things, the satisfactory completion of the testwork. The MJV parties are discussing appropriate extensions to milestone dates as well as other MJV planning issues, including review by MinRes of Hexagon's downstream processing opportunities.

Hexagon is excited about the multi-faceted opportunities arising in the USA through its 80% ownership of Charge Minerals, as a site for its initial Advanced Particle business developments and various Government and private funding opportunities. Technical results of a recently completed mapping and trench sampling program at Charge's Ceylon Mine Project are expected in July ahead of an 80-tonne bulk sampling program. The bulk sampling program is designed to generate a total of 2 to 3 tonnes of graphite concentrates, starting in December 2019. The concentrates will be used to fast track the Company's marketing program. Hexagon has already received several expressions of interest for this "Sourced and Made in the USA" graphite from customers, financiers and several US Government agencies – concerned about critical mineral supply.

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[1] The outcomes of the downstream scoping study were announced on 17 May 2019. Hexagon Resources Limited confirms that it is not aware of any new information or data that materially adversely affects the Scoping Study information included in the market announcement dated 17 May 2019 and, in the case of the Scoping Study, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially adversely changed.

To further consolidate its US presence Hexagon is very pleased to have appointed Cherie Leeden as a Director of Charge Minerals to work with Charge's founder and CEO, Jesse Edmondson to develop and grow Charge's assets in the US and to contribute to Hexagon's broader graphite marketing efforts. Cherie brings a wealth of commercial and technical graphite experience as the founder and former Managing Director of African graphite development company, Battery Minerals Ltd.

3. MCINTOSH FLAKE GRAPHITE PROJECT – UPSTREAM PROJECT

The McIntosh flake graphite project is a Joint Venture between Hexagon and MinRes, with MinRes earning a 51% interest in the project through exploration and development.

3.1 Progress on Feasibility Study

During the quarter, work continued on a Feasibility Study for the McIntosh Project. The focus of the metallurgical testwork is to define a flow sheet which can yield the high concentrate grades achieved in previous testwork and preserve the larger flake sizes identified at the Emperor and Wahoo deposits. Previous metallurgical tests and piloting work by Hexagon (2016-17) was focussed solely on achieving a high concentrate grade suitable for lithium ion battery anode material. The work underway comprises a comprehensive technical program and Hexagon has planned and commissioned this testwork program at a research facility in China which has experience in a wide spectrum of graphite processing, from initial concentration to downstream purification, micronising and spheroidising. The initial phases of this work are planned to be completed in early August 2019.

Once the MJV can assess the results of this work, it will determine the next step, expected to be "locked-cycle" and pilot scale flotation tests to generate process design criteria. Results will be reported as the respective test programs are completed.

Key elements to completing a feasibility study include field activities such as water and geotechnical drilling as well as study inputs such as detailed engineering, detailed mine optimisation studies and scheduling, environmental management and concentrate offtake. These activities are currently on hold pending the outcomes of the metallurgical testwork which will generate important inputs into these tasks.

As mentioned in the Commentary section above, Hexagon was advised recently by MinRes that certain key milestone dates as set out in the MJV Agreement would need to be extended to accommodate delayed testwork activities. The MJV parties are discussing appropriate extensions to milestone dates as well as other MJV planning issues, including review by MinRes of Hexagon's downstream processing opportunities. The Company will provide further updates as progress is made.

4. DOWNSTREAM – *the ADVANCED PARTICLE BUSINESS*

Hexagon is pursuing a downstream processing strategy to capture significant additional value in the more advanced portion of the graphite supply chain and to leverage off the high-quality of its McIntosh Project "source" graphite. The Company recently completed a positive scoping study incorporating a significant body of advanced testwork – highlighting an exciting and robust downstream project that the Company is focussed on commercialising, referred to as the "Advanced Particle Business" (Refer Footnote 1).

4.1 Testwork

During the quarter, Hexagon announced results of technical work undertaken by NamLab[2], for its standalone advanced particle business to provide downstream graphite processing.

Its testwork programs focussed on particle milling and micronisation technologies and the production of ultra-fine materials, as well as the assessment of those milled products to be utilised in batteries.

Highlights of the testwork results included:

- Milling trials demonstrated rapid particle size reductions to nominated median (D50) size specifications, inferring industry sector's leading milling costs.
- Milling cost advantages of McIntosh flake compared to typical African or Chinese sourced flakes demonstrated to be 2-3 times lower for hammer milling and approximately 2 times lower for air milling.
- Various size classifications of the micronised products have wide application in a wide range of battery chemistries as conductivity enhancement materials (CEM) and the ultra-fine, high purity materials at sub 5 µm sizing as coatings and dispersions in battery and industrial applications which is a very high-value market, served by a very limited number of manufacturers.
- Test outcomes included ability to produce synthetic diamonds from McIntosh flake – currently technical grade, potentially also gem-stone quality, subject to the highest purity precursor material. There is a significant market for quality synthetic diamond precursor to underpin industrial applications for technical grade diamonds.

The technical outline of the testwork, along with detailed discussion of the results, can be found in the ASX Announcement "*Excellent Technical Outcomes to Underpin a Standalone Downstream Graphite Processing Business*" dated 29 April 2019.

Results of the testwork fed into Hexagon's downstream scoping study, are summarised in the next section and full details are available in the full report "*Positive Scoping Study for Advanced Graphite Processing"* dated 17 May 2019.

4.2 Scoping Study

Hexagon reported on the key findings of a Scoping Study assessing the viability of the Company developing a standalone Graphite Purification and Processing Plant (GPPP), to manufacture high-specification graphite products. The key outcomes are summarised in Table 1.

The key downstream Scoping Study assumptions, including several options regarding site location and purification technology are:

- Purchase, at prevailing market prices, of all the required high-quality graphite concentrate feedstocks and freight to the GPPP;
- Sites assessed in Geraldton, Western Australia or Chelan County, Washington State, USA;
- Utilising either electrothermal fluidised bed (EFB) furnace or Static furnace (SF) thermal purification technologies to refine all the flake concentrate ahead of any processing;
- A diverse graphite product suite of high-purity (+99.99wt%C), milled and sometimes shaped graphite materials to be used to make expanded graphite, battery anode material (BAM), CEM, ultra-fine powders and precursor for synthetic diamonds, as well as an expanded graphite precursor.

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[2] Hexagon has a strict confidentiality obligation in place to not disclose the identity of its US Technical partner and so refers to this entity as "NAmLab".

- Staged development of the GPPP comprising:
  - ✓ Qualification Plant, with a rated capacity of approximately 1,000 tonnes of products per year;
  - ✓ Commercial scale plant with a rated capacity of approximately 20,000 tonnes of products per year; and
  - ✓ Additional expansion to approximately 50,000 tonnes of products per year.

The main participants to the Scoping Study completed by Hexagon for the GPPP were:

- GR Engineering Services Limited (GRES) – Included study management, engineering, design, cost estimation and compilation of the Scoping Study report document and input information.
- Hexagon – Site Location studies, input testwork studies and with support from independent consultants completed a product marketing strategy.
- Optiro – A mining industry consulting and advisory group reviewed the original disclosure report to provide guidance to Hexagon on its compliance obligations with respect to the ASX Listing Rules and ASIC requirements.

Table 1: Summary Scoping Study Outcomes

Financial Highlights		
	Geraldton (Australia)	**Chelan County (USA)**
Pre-tax NPV (10% discount)	A$0.88 to A$1.20 Billion	A$0.92 to A$1.24 Billion
Post-tax NPV (10% discount)	A$594 to A$804 Million	A$708 to A$958 Million
Pre-tax Internal Rate of Return	40% to 61%	40% to 58%
Post-tax Internal Rate Return	32% to 48%	35% to 49%
Operating Margin (EBITDA)	51%	54%
Payback period from FID (post-tax)	4 years	4 years
Payback period from full commercial production (post-tax)	2 years	2 years
Operating Cost Product (life of project)	A$2,618 / Tonne	A$2,248 / Tonne
Feedstock Price	A$2,089 / Tonne (Equivalent to US$1,504/ Tonne)	
Weighted Ave Basket Price of Products	A$8,487 / Tonne (Equivalent to US$6,110 / Tonne)	
Start-Up Capital Phase 1	A$23 Million	A$27 Million
Start-Up Capital Phase 2	A$118 Million	A$135 Million
Start-Up Capital Phase 3 (fully funded from operations)	A$139 Million	A$153 Million

The four scenarios considered comprised two different locations, one in Australia and one in the USA, and two furnace technologies with different cost bases, flow sheets and capital requirements. A summary of the key financial outcomes for all 4 scenarios is presented in Table 2.

The overall finding of the Scoping Study was that the GPPP business is a highly attractive investment proposition based on an NPV range of A$880 million to A$1,240 million and an IRR range of 40% to 61% on an unleveraged pre-tax basis dependent on location and technology. The GPPP presents as a financially robust opportunity under all scenarios modelled, with only a 3% margin between the 1st and 4th ranked options.

On a pre-tax basis, there is no clear preferred choice. On a post-tax basis, the Chelan County site in Washington State, USA is a clear front-runner as shown in the comparisons in Tables 2.

Based on the outcomes of this GPPP Scoping Study, Hexagon plans to take the GPPP through to Feasibility Study. The Company is examining different funding and development options.

Table 2: Pre & Post Tax Financial Estimates for each of the four scenarios

Location	Furnace Technology	NPV[1] A$ millions	IRR %	Payback[2] Yrs.	Rank
Pre-Tax Scenario Comparison - Nominal					
Geraldton	SF	884 to 1,196	45 to 61	4	4
Chelan County	SF	921 to 1,247	43 to 58	4	1
Geraldton	EFB	892 to 1,206	40 to 54	4	3
Chelan County	EFB	918 to 1,242	40 to 54	4	2
Post-Tax Scenario Comparison - Nominal					
Geraldton	SF	594 to 804	36 to 48	4	4
Chelan County	SF	798 to 958	37 to 49	4	1
Geraldton	EFB	597 to 807	32 to 44	4	3
Chelan County	EFB	705 to 953	35 to 47	4	2

1. *The Discount Rate for the NPV estimate is 10%.*
2. *Payback is based on the FID related to the Phase 2 construction i.e. after having run the Qualification scale plant for 1 year.*

5. USA & CHARGE MINERALS LLC (Hexagon 80%)

5.1 USA Strategy

Over the past 18 months Hexagon has been implementing a deliberate strategy to increase its presence in the USA to create a "beachhead" for its McIntosh marketing efforts and to pursue means to fast-track its business plans to positive cash flow. There are several important elements to this strategy which the Company is working to bring together:

- Hexagon is targeting premium markets which certainly includes the USA;
- Key technical partner, "NAmLab" is based in the US and contributes many important market insights and sales opportunities;
- To further identify and engage with those potential customers, Hexagon engaged two experienced, US-based "graphite" consultants;
- Over the past 12 months, Hexagon has identified specific market opportunities in the US for concentrate supply and not supported by any domestic natural flake graphite production;
- Opportunities to generate domestic, US supply of graphite will assist to create a US market for "Hexagon" branded graphite.
- For effective marketing, one requires a ready supply of product samples. This is currently a constraint at McIntosh where the deposit starts 20 metres below surface and all samples are

derived from drill core. Hexagon owns 80% of US registered, Charge Minerals, which has 100% interest in the Ceylon Graphite Project in Alabama, centred on the historic Ceylon Graphite Mine. Charge has just completed sampling of the mineralisation exposed on the old pit base and outcropping beyond the pit limits. It plans to follow-up with an 80 tonne bulk sampling program for piloting and testing with customers.

- Led by customer "acceptance or appetite" for the Ceylon material, this will drive the resource and project development work.
- The backdrop to this activity is a major effort and awareness in the US to catch-up on some level of self-reliance for certain critical minerals. In December 2017, President Trump signed a Presidential Executive order on a Federal strategy to ensure secure and reliable supplies of critical minerals – which includes graphite. Currently there is a Mineral Security Bill being discussed with bipartisan political support. This is in an environment of major China trade tensions, forecasts of booming demand for EV's as well as strategic defence applications requiring these critical minerals.

Hexagon is clearly positioned in the right place, at the right time with the right people to benefit from the market awareness and opportunities.

Hexagon's objective in the US is to establish its graphite brand, leveraging off quality premium products, access to cutting edge process technologies and a potential local presence with a downstream facility as highlighted in the Scoping Study outcomes. Furthermore, opportunities exist to diversify its feedstock to a possible new source in Alabama, albeit, still very early days. There is strong government and community support for these projects and possible federal funding for certain development proposals.

5.2 Charge Minerals

Charge Minerals LLC (CML) holds several Mineral Claim agreements in Alabama including the early stage Ceylon Graphite project, centred on a historical open pit excavation which was in production in several phases between 1910 and 1946.

During the quarter, a comprehensive mapping and trench sampling program was completed. This aimed to identify sites for bulk sampling with up to 80 tonnes of graphite mineralisation planned to be processed into concentrate at an existing, third party, pilot facility to generate concentrate for marketing and further downstream processing to create "finished" samples, also for market acceptance. The bulk sampling program is planned to be completed in late July 2019 and following piloting test work, concentrate should be available in December 2019.

CML's CEO is Jesse Edmondson who is based in Alabama. For seven years prior to founding CML he was a senior executive of another US Company developing graphite assets in Alabama and he contributes a wealth of technical and commercial knowledge as well as key contacts for the region relating to graphite. Jesse is also a founder of US Critical Minerals LLC (a 15% shareholder of Charge) and has very strong connections with US based customers as well as government at the County, State and Federal levels. Hexagon is very pleased to have appointed Cherie Leeden as a Director of CML to work with Jesse to develop and grow CML's assets in the US and to contribute to Hexagon's broader graphite marketing efforts. Cherie brings a wealth of commercial and technical graphite experience as the founder and former Managing Director of African graphite development company, Battery Minerals Ltd.

6. DISCOVERY

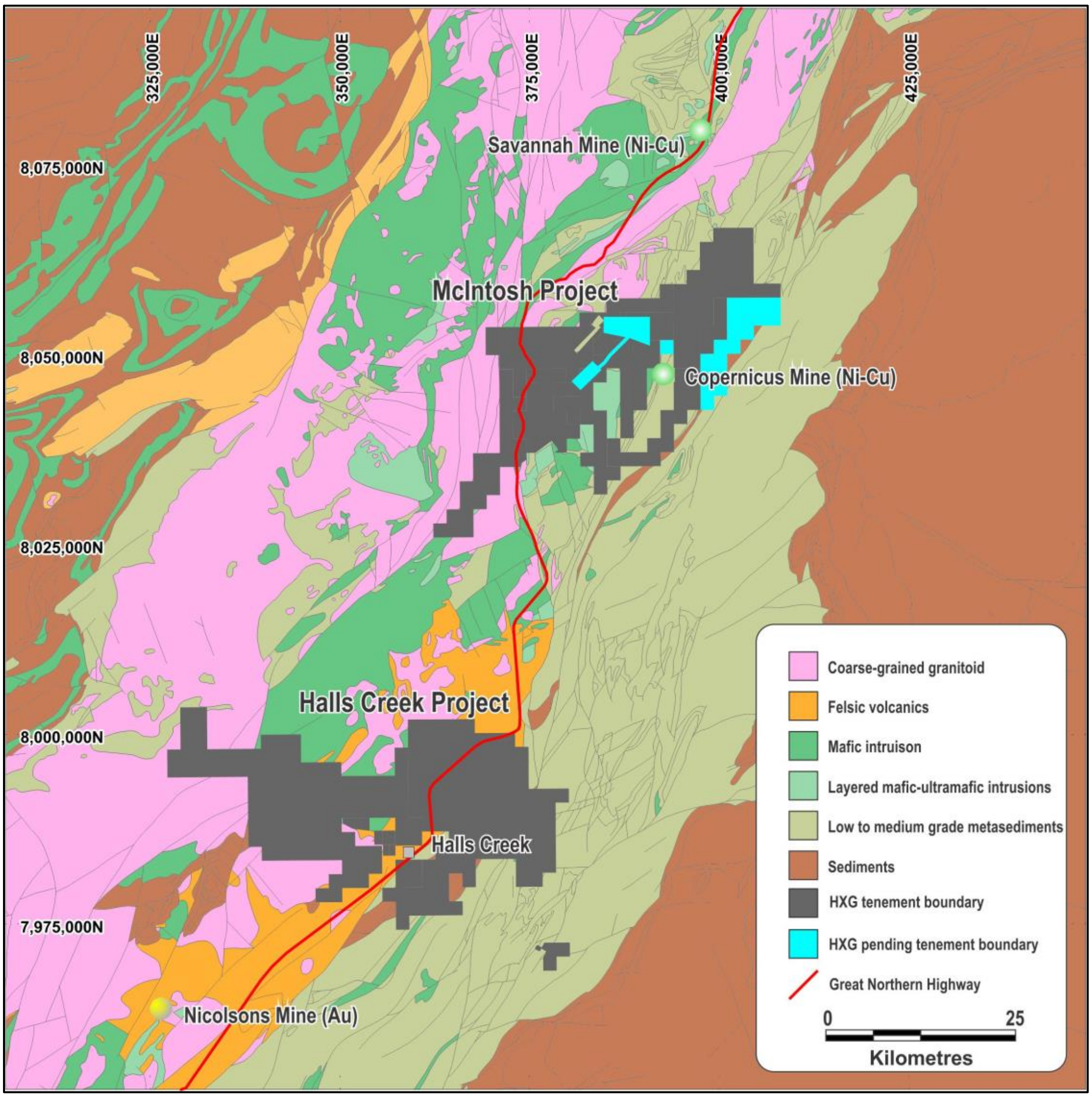
The Company has two main tenement areas located in the East Kimberley as shown in Figure 1, comprising:

- The McIntosh project – prospective for graphite and base metal massive sulphide deposits; and
- The Halls Creek project – prospective for gold and base metal massive sulphide deposits.

The McIntosh tenements host the McIntosh flake graphite project, subject to the MJV as reported in Section 3 above.

The Halls Creek project is an early-stage exploration project prospective for gold and base metals deposits. As Hexagon's focus is firmly on graphite it is seeking a joint venture partner or to divest the tenements.

Figure 1: Regional Geology and Hexagon Project Location Plan.



7. SUSTAINABILITY

7.1 Health and Safety

No injuries or major incidents were recorded for the quarter on any Hexagon managed programs.

8. CORPORATE

8.1 Financial Position

The Company finished the June 2019 quarter with $4.2 million cash at bank, which includes US$1.25 million.

Cash outflows: - a total of $1.03 million, comprising - $0.74 million spent on exploration and development and $0.29 million on administration and staff costs (includes financing, legal and offtake-related expenditures).

Cash inflows: - the Company received a total of $0.36 million comprising $0.33 million refund for research and development and $0.03 million interest paid during the quarter.

A Quarterly cash flow and forecast is summarised in the attached Appendix 5B.

The Company has no debt.

8.2 Capital Structure

During the quarter, there were no changes to the Company's capital structure.

Hexagon had on issue 291,783,397 fully paid ordinary shares, 24,397,500 million unlisted options and 4,600,000 employee incentive Performance Rights at the date of this report.

8.3 Investor Relations and Marketing

During the quarter, Managing Director Mike Rosenstreich and Chairman Charles Whitfield participated in the Mines & Money investment forum in New York and an Open Briefing interview (refer ASX announcement 12 June 2019).

9. COMPETENT PERSONS' ATTRIBUTIONS

Exploration Results and Mineral Resource Estimates

The information within this report that relates to exploration results, Exploration Target estimates, geological data and Mineral Resources at the McIntosh and Halls Creek Projects is based on information compiled by Mr Mike Rosenstreich who is an employee of the Company. Mr Rosenstreich is a Fellow of The Australasian Institute of Mining and Metallurgy and has sufficient experience relevant to the styles of mineralisation and types of deposits under consideration and to the activities currently being undertaken to qualify as a Competent Person(s) as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves and he consents to the inclusion of this information in the form and context in which it appears in this report.

Metallurgical Test Work Outcomes

The information within this report that relates to metallurgical test work outcomes and processing of the McIntosh material is based on information provided by a series of independent laboratories. Mr Rosenstreich (referred to above) managed and compiled the test work outcomes reported in this announcement. A highly qualified and experienced researcher at NAmLab planned, supervised and interpreted the results of the test work. Mr Michael Chan also reviewed the metallurgical test work outcomes. Mr Chan is a Metallurgical Engineer and a Member of the Australasian Institute of Mining and Metallurgy. Mr Chan and the NAmLab principals have sufficient relevant experience relevant to the style of mineralisation and types of test-work under consideration and to the activities currently being undertaken to qualify as a Competent Person(s) as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves and have consented to the inclusion of this information in the form and context in which it appears in this report.

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Attachment 1: Hexagon Tenement Holdings as at 30 June 2019

Project	Type	Number	Ownership Status at end of Quarter	Tenement Status
McIntosh, WA	E	E80/3864	49% of MJV*	Granted
	E	E80/3928	49% of MJV	Granted
	E	E80/3906	49% of MJV	Granted
	E	E80/3907	49% of MJV	Granted
	E	E80/4688	49% of MJV	Granted
	E	E80/4734	49% of MJV	Granted
	E	E80/4739	49% of MJV	Granted
	E	E80/4732	49% of MJV	Granted
	E	E80/4825	49% of MJV	Granted
	E	E80/4842	49% of MJV	Granted
	E	E80/4841	49% of MJV	Granted
	P	P80/1821	49% of MJV	Granted
	E	E80/4733	49% of MJV	Granted
	E	E80/4879	49% of MJV	Granted
	E	E80/4931	49% of MJV	Granted
	E	E80/5151***	49% of MJV	Application
	E	E80/5157***	49% of MJV	Application
	L	L80/0092	49% of MJV	Application
	M	M80/638	49% of MJV	Application
	M	M80/639	49% of MJV	Application
Halls Creek, WA	E	E80/4794	100% Hexagon	Granted
	E	E80/4793	100% Hexagon	Granted
	E	E80/4795	100% Hexagon	Granted
	E	E80/4858	100% Hexagon	Granted
	P	P80/1816	100% Hexagon	Granted
	P	P80/1817	100% Hexagon	Granted
	P	P80/1815	100% Hexagon	Granted
	P	P80/1818	100% Hexagon	Granted
	P	P80/1814	100% Hexagon	Granted
	P	P80/1799	100% Hexagon	Granted
	P	P80/1801	100% Hexagon	Granted
	P	P80/1800	100% Hexagon	Granted
Alabama, USA	MLAs**		80% Hexagon	Agreed

** Interest in the McIntosh Joint Venture*
*** Mineral Lease Agreements with respective mineral rights holders*
**** Exploration License granted 05.07.2019*

+Rule 5.5

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

HEXAGON RESOURCES LIMITED

ABN	**Quarter ended ("current quarter")**
27 099 098 192	**30 June 2019**

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(444)	(1,190)
	(b) development	(301)	(712)
	(c) production	-	-
	(d) staff costs	(128)	(551)
	(e) administration and corporate costs	(161)	(1,049)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	29	46
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Research and development refunds	329	329
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(676)**	**(3,127)**

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	(70)
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	3
	(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	**Net cash from / (used in) investing activities**	**-**	**(67)**

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	4,870	7,361
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(676)	(3,127)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(67)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	9	36
4.6	**Cash and cash equivalents at end of period**	**4,203**	**4,203**

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	1,838	1,516
5.2	Call deposits	2,365	3,354
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)**	**4,203**	**4,870**

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	130
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

6.1: Includes payments to Managing Director.

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** *Add notes as necessary for an understanding of the position*	**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.

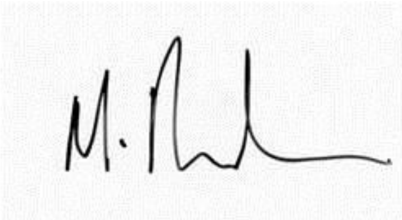
9.	**Estimated cash outflows for next quarter**	**$A'000**
9.1	Exploration and evaluation	604
9.2	Development	87
9.3	Production	-
9.4	Staff costs	102
9.5	Administration and corporate costs	320
9.6	Other (provide details if material)	-
9.7	**Total estimated cash outflows**	**1,113**

10.	**Changes in tenements (items 2.1(b) and 2.2(b) above)**	**Tenement reference and location**	**Nature of interest**	**Interest at beginning of quarter**	**Interest at end of quarter**
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2	Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Sign here:  Date: 11 July 2019

Print name: Mike Rosenstreich

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.