

**ASX Announcement
30 October 2019**

Kalia Limited is exploring for copper and gold in the Mount Tore region on Bougainville Island.

Directors

Chairman

Hon. David Johnston

**Executive Director,
Corporate Development
& Strategy**

Mr. Michael Johnston

Non-Executive Director

Mr Sean O'Brien

Non-Executive Director

Mr. Jonathan Reynolds

Operations

**Joint Company
Secretary**

*Ms Melissa Chapman
and Ms Catherine Grant-
Edwards*

Issued Capital

Ordinary Shares
2,514,347,392
Unlisted Options
100,000,000

**Share Price – 30
October 2019**

\$0.001

ASX Code

KLH

Further Contact:

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www.kaliagroup.com
PO Box 1470
West Perth WA 6872

Activities Report - Quarter Ended 30 September 2019

Kalia Limited ("Kalia" or "the Company") reports that the following activities occurred during the quarter ended 30 September 2019.

Summary of Announcements during the quarter

The Company advised that Tygola Pty Ltd ("Tygola") agreed to continue to support the Company by providing additional unsecured facilities totalling \$4.5 million. The facilities will enable the Company to implement an accelerated program of field work to define drill targets; and undertake a systematic international investor relations program aimed at recapitalising the Company in the coming months in order to raise the funds required to take exploration activities to the next step, including undertaking the proposed 2020 drill program. Further, Tygola has indicated to the Board that it is prepared, subject to formal documentation at the time and any required ASX and shareholder approvals, to convert the total amount due to it into new ordinary shares on the same terms as the proposed recapitalisation referred to above.

Shareholders are cautioned that currently no recapitalisation proposal has been made available to the Company. Efforts will be made over the coming months to enter into arrangements, subject to requisite ASX and shareholder approval, but there can be no certainty that any concluding transaction will eventuate.

As well as these initiatives, the Board has resolved, subject to shareholder approval, to undertake a capital management plan that will see the Company's share capital consolidated on a 1:100 ratio to reduce the Company's issued capital to approximately 25 million ordinary shares (down from the current 2,514,347,392 ordinary shares).

The following board changes have occurred:

Michael Johnston was appointed as Executive Director, Corporate Development & Strategy on 22 July 2019;

Jonathan Reynolds was appointed as a Non-Executive Director on 22 July 2019;

Peter Batten resigned as Technical Director on 5 August 2019; and Terrence Larkan resigned as Managing Director on 9 August 2019.

Exploration Field Trips

Five field trips were completed during the quarter (Figure 1). These were for sampling and accessed targets at Kunai Hills, Kaskurus, Melilup, and Aita (x 2).

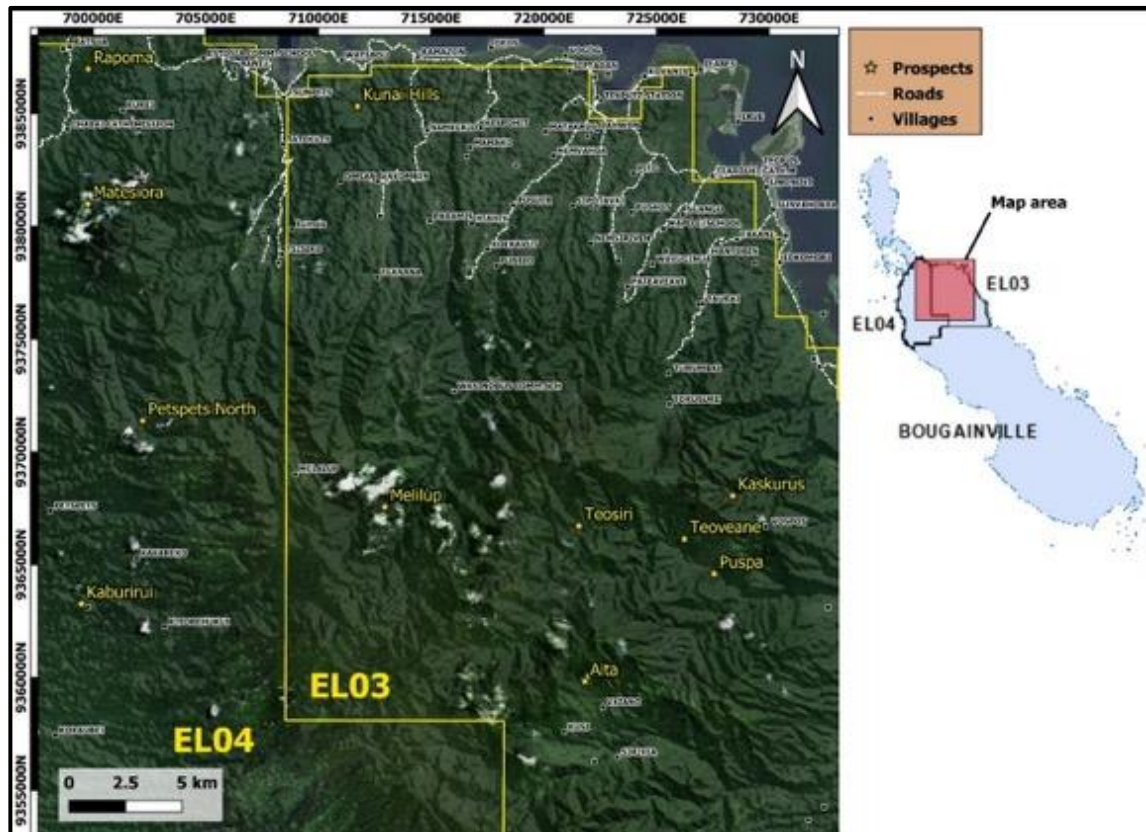


Figure 1. Site locations Tore region, Bougainville

Kunai Hills

A series of magnetic anomalies were investigated in the vicinity of Fathom target 12 (Buckingham, 2019), strongly weathered intrusives were found to occur at the junction between modelled regional structures correlating to magnetic lows. Magnetic highs yielded weakly weathered, unaltered micro diorite phases. Additional stream sediment samples were taken from suitable trap sites along the Rawa River and adjoining drainages.

Kaskurus

Previous attention in the vicinity of Kaskurus village had taken place three kilometres to the south where two historical pan concentrates were obtained in 1987 (Rogerson et al. 1989). These samples contained background values of Cu 60-80 ppm and one low level Au value 0.04 ppm. Despite these historical values it was considered prudent to test Fathom targets 9 and 14 (Buckingham, 2019), as these are situated along the north eastern boundary of the interpreted magnetic high pluton spanning some 35 km in diameter (Garwin, 2019). A total of 13 samples were obtained at varying intervals along the drainage which transects these geophysical features. Varying phases of moderate-weak chlorite altered granodiorite and diorite were observed in the vicinity of Fathom targets 9 and 14 however no strong compelling alteration or porphyry epithermal mineralisation was evident.

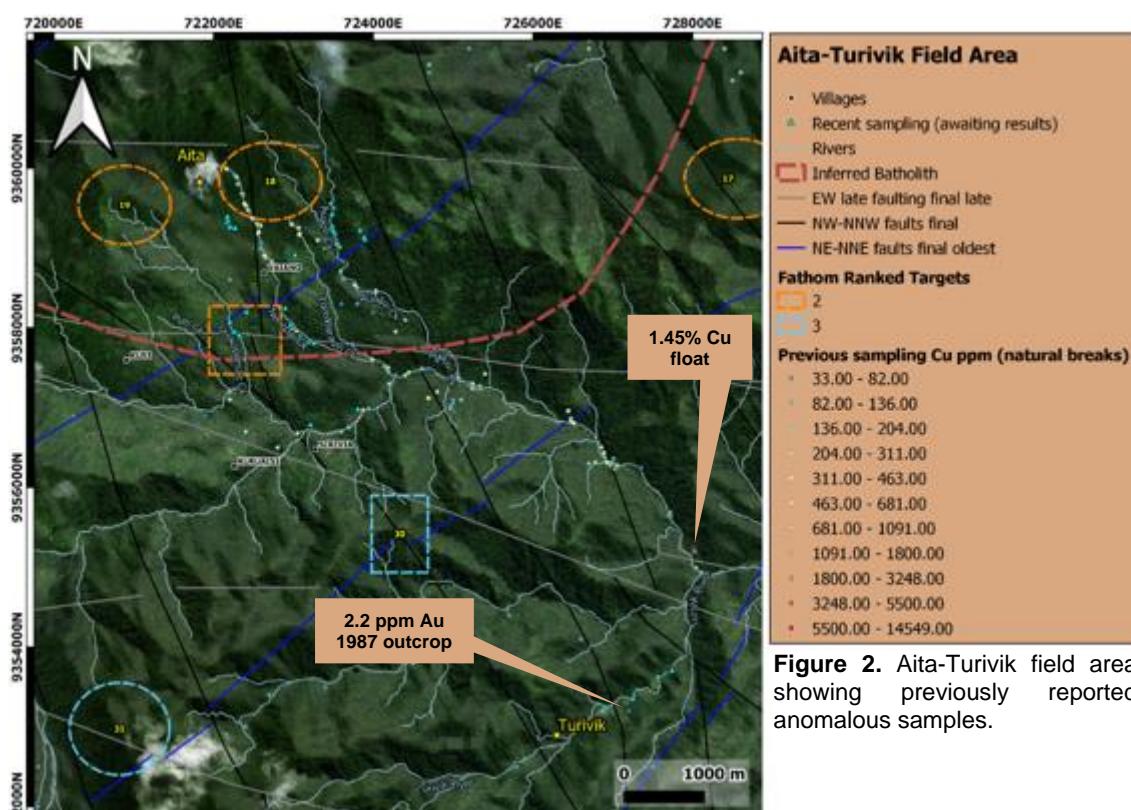
Melilup

Access into the Melilup area is staged and progressive in nature. To date, only a small proportion of the Ramazon River and associated drainages have been examined. Further expeditions are planned to access Fathom ranked targets one and four which are coincident within historically mapped phases of the Melilup Intrusive Complex (Blake and Mieztis, 1967) and interpreted radial symmetric intrusives from processed geophysical inversions (Buckingham, 2019).

Aita-Turivik

Towards the end of the quarter efforts have been applied to follow up on the previously reported anomalous (**1.45% Cu**) float sample from the area (ASX:KLH release dated, 29 October 2018) and historical **2.2 ppm Au** sample (Rogerson et al, 1989) (Fig. 2). Two teams entered the field area with results pending. Shallow geothermal activity was observed at the surface around the Turivik area and it is considered to be prospective for epithermal gold mineralisation at depth. Further work is required to the West of Aita and within the Turivik River area.

Results for the last stream sediment sampling are pending.



Future work plans

Continuous improvements on land access are proceeding. Areas in EL04 on the North-Western side of Bougainville Island are becoming more accommodating toward the Company. In this area geophysical and geochemical targets have been identified, and expedition and community awareness planning is underway. An additional field team has been formed to take advantage of land access when it becomes available.

Focus also remains on targets in the East in EL03 where high priority targets within the Ramazon River proximal to Melilup are yet to be suitably examined. Further community awareness is presently taking place in order to gain access to these areas with expeditions planned for the December 2019 quarter.

Community

Several community meetings were conducted during the quarter under review. Concurrent with the work being done on the formal structures, the community liaison work has been focussed on conducting awareness and education of the exploration processes across the Exploration Licence areas. Within the formal structures, progress has been made with a view to obtaining support and landowner consent to access specific areas of interest in:

- Taonita Tinputz Area - Rarie, Puspa and Melelup
- Suir Area – Melelup
- Aita Area – Turivik
- Taonita Teop - Vasutea, Teosiriata, Karamus
- Kunua Teua Area

About the Bougainville Exploration Licences

The Company, through Tore Joint Venture Limited, manages two exploration licences on the island of Bougainville, Autonomous Region of Bougainville, Papua New Guinea. Tore Joint Venture Limited is 75% owned by Kalia Limited, with the remaining 25% being held by Toremana Resources Limited, a registered landowner association. The two exploration licences, EL03 and EL04 were issued in November 2017 and cover a combined area of 1,704 km².

The region sits on the Pacific Rim of Fire and is prospective for volcanic epithermal mineralisation. Particularly for gold and copper mineralisation in granitoid complexes associated with intrusion of deep-seated magma chambers into overlying volcanic geology. These intrusions, porphyry coppers, are located throughout PNG with Panguna as the regional example located to the south of Tore on the island of Bougainville. Most porphyry copper deposits tend to be large tonnage and low grade, with tonnages of hundreds of million tonnes to in excess of a billion tonnes but grades are generally around 0.20 g/t Au and 0.20% Cu and above. The Panguna deposit is a complex of diorites and granodiorites intruded into the Panguna andesites and was mined by Bougainville Copper Limited from 1972 to 1989 (Clark, 1990).

The Company has previously disclosed details of the historical reports which note that potential exists for multiple deposits in the north and up to seven different styles of mineralisation were and these seven styles can be broadly grouped into three:

1. Porphyry Cu, Au;
2. Epithermal veining (including polymetallic veins and Au); and
3. Volcanogenic Massive Sulphides (VMS)

Recent geophysical survey data has been analysed and identified 64 porphyry and epithermal targets (eg. Fig. 3) across the area including 12 Priority 1 targets while independent correlation between geophysics and geochemistry highlights the robustness of the modelling and high prospectivity of the region.

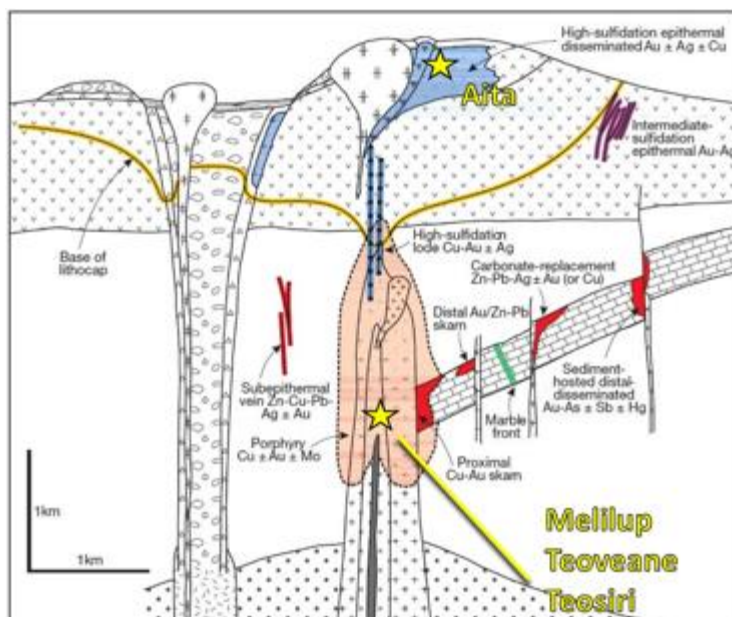


Figure 3. Magmatic hydrothermal deposit models and features taken from Sillitoe (2010) showing Kalia Ltd. conceptual targets based on mineral alteration and geological field observations.

Tenement Schedule (Disclosure per ASX Listing Rule 5.3.3)

Tenements held at end of the quarter by Kalia Ltd. and subsidiary companies.

TENEMENT	LOCATION	NAME	INTEREST
EL03	Bougainville	Tore East	75%
EL04	Bougainville	Tore West	75%

Competent Person Statements

The information in this announcement that relates to Exploration Results is based on information reviewed by **Mr Mike Johnston** who is a fellow of the Australasian Institute of Mining and Metallurgy (AusIMM) and an Executive Director of the Company. Mr Johnston has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking 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'. Mr Johnston consents to the inclusion of the information in the form and context in which it appears.

References

Blake, D.H., and Mieozitis, Y. (1967). Geology of Bougainville and Buka Islands, New Guinea: Bureau of Mineral Resources, Geology and Geophysics, Department of National Development, Commonwealth of Australia Bulletin 93, 56 p.

- Buckingham, A. (2019). Processing, enhancement and modelling of 2018 airborne data over the Tore JV, Bougainville, Papua New Guinea, power-point presentation by Fathom Geophysics for Kalia Limited, ver. 4. *Unpublished*, 61 slides.
- Clark, G.H. (1990). Panguna copper gold deposit, in *Geology of the Mineral Deposits of Australia and Papua New Guinea* (Ed- F.E. Hughes)' pp' 1807-1816 (The Australasian Institute of Mining and Metallurgy: Melbourne).
- Garwin, S. (2019). Preliminary Interpretation of Geology and Geochemical Results for the northern Bougainville Island Tenements of Kalia Limited: Implications for Copper and Gold Exploration, power-point presentation ver. 4. *Unpublished*, 39 slides.
- Rogerson, R. J., Hilyard, D. B., Finlayson, E. J., Johnson, R. W., and McKee, C. O. (1989). The geology and mineral resources of Bougainville and Buka Islands, Papua New Guinea. *Geological Survey of Papua New Guinea, Memoir 16*, 228 pages.
- Sillitoe, R. H. (2010). Porphyry Copper Systems*. *Economic Geology*, 105(1), 3-41. doi:10.2113/gsecongeo.105.1.3

ADDITIONAL INFORMATION

JORC CODE, 2012 EDITION – TABLE 1

The following sections are provided for compliance with requirements for the reporting of exploration results under the JORC Code, 2012 Edition.

Section 1 Sampling Techniques and Data

Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Sampling of stream sediment was wet sieved at size -80 mesh and relates to historic geochemical data from Rogerson et al. 1989 Whole rock sampling from Rogerson et al. 1989 is denoted by O/C for in situ outcrop at FLT for float samples. For stream sediment samples from Rogerson et al. 1989, Au and Pt were determined on each sample by either 20g or 50g fire assay (depending on sample size); Hg by cold vapour AAS; As and Te by hydride-generation AAS; Ag by AAS. Following KClO₄/HCl digestion and subsequent 10% aliquot 336-MIBK/KI/ascorbic acid metal concentration; and Cu, Zn by AAS following two separate metal extractions, 1% HCl (partial) digestion and HCl/HNO₃ (total) digestion. Detection limits for each element were nominally; Au (10ppb), Pt (100ppb), Hg (2ppb), As (2ppm), Te (100ppb), Ag (100ppb), Cu (1ppb) and Zn (1ppm). Whole rock samples were analysed for; Ba, Sr, Pb, Zr, V, Cr, Ni by ICP at AMDEL, South Australia, Rb, Nb, Y by XRF at AMDEL, Sc, Cs, Sr, Hf, Th, La, Ce, Nd, Sm, Cu, Tb, Dy, Yb, Lu, V, Zn, Au by Instrumental Neutron Activation Analysis at CSIRO Lucas Heights NSW. Kalia Limited is reporting modelling utilising the airborne magnetic and radiometric data, for the survey carried out over the Mt Tore project area [EL03 and EL04] between 30/08/2018 and 30/11/2018. Kalia collects rockchips from outcrop and float at suitable locations in the field these are submitted to Intertek Lae. A 50 g fire assay is conducted for gold analysis and a four acid digest ICP-MS/AES is conducted for trace and major multi-element detection.
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> No drilling results reported
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between 	<ul style="list-style-type: none"> No drilling results reported

Criteria	JORC Code explanation	Commentary
	<i>sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> Samples have been logged by a geologist in the field.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> No drilling results reported
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<ul style="list-style-type: none"> For stream sediment samples from Rogerson et al. 1989, Au and Pt were determined on each sample by either 20g or 50g fire assay (depending on sample size); Hg by cold vapour AAS; As and Te by hydride-generation AAS; Ag by AAS. Following KClO₄/HCl digestion and subsequent 10% aliquot 336-MIBK/KI/ascorbic acid metal concentration; and Cu, Zn by AAS following two separate metal extractions, 1% HCl (partial) digestion and HCl/HNO₃ (total) digestion. Detection limits for each element were nominally; Au (10ppb), Pt (100ppb), Hg (2ppb), As (2ppm), Te (100ppb), Ag (100ppb), Cu (1ppb) and Zn (1ppm). Whole rock samples were analysed for; Ba, Sr, Pb, Zr, V, Cr, Ni by ICP at AMDEL, South Australia, Rb, Nb, Y by XRF at AMDEL, Sc, Cs, Sr, Hf, Th, La, Ce, Nd, Sm, Cu, Tb, Dy, Yb, Lu, V, Zn, Au by Instrumental Neutron Activation Analysis at CSIRO Lucas Heights NSW. Specific instrument information not available. Lab-produced QAQC procedures and results are unknown. Intertek Lae submit CRM standards, blanks, and check samples where required.
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage 	<ul style="list-style-type: none"> Unknown if samples were submitted to an umpire laboratory for check analysis. No umpire laboratory checks on recent surface sample results.

Criteria	JORC Code explanation	Commentary
	<p>(physical and electronic) protocols.</p> <ul style="list-style-type: none"> Discuss any adjustment to assay data. 	
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> Samples from Rogerson et al. 1989 are recorded in mE and mN to the nearest hundred metres using WGS1984 datum. The method for plotting locations is unknown. A Garmin hand-held GPS is used to define sample locations. Geophysics Datum: Geodetic Datum of Australia 94 (GDA94) Projection: Map Grid of Australia (MGA) Zone: Zone 56
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	<ul style="list-style-type: none"> No drilling results reported.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> Mineralisation reported at surface only.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Sample security practices unknown. All recent samples are within possession of company staff until deposited with an independent (international) courier and delivered to the laboratory (Intertek) in Lae.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> No audits or reviews have taken place. Senior geologists periodically review all laboratory data and collection processes.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> The Mt Tore Project consists of two exploration licence applications ELA07 (365.3sqkm) and ELA08 (838.7sqkm). The Mt Tore Project is a joint venture between Kalia Limited (75%) and Toremana Resources Limited, a registered landowner association (25%).
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> All data sourced by the company has been disclosed.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> The Tore region consists of volcanic rocks in an island arc tectonic setting. Intrusive bodies are recorded in numerous locations throughout the project area and is highly prospective for porphyry Cu-Au-Ag-Mo and Epithermal Au deposits.
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> No drilling results reported
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> No minimum or maximum cut-offs have been applied
Relationship between	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of 	<ul style="list-style-type: none"> N/A

Criteria	JORC Code explanation	Commentary
mineralisation widths and intercept lengths	<p>Exploration Results.</p> <ul style="list-style-type: none"> If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	
Diagrams	<ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> Maps and plans appear throughout this release.
Balanced reporting	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> All sample assay data has been released, previously. Results of the geophysical survey, interpretation and modelling has been released, previously.
Other substantive exploration data	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> No additional surveys ongoing. Awaiting laboratory results from Intertek (Lae).
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> See future work/plans within the release.

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

Kalia Limited

ABN

30 118 758 946

Quarter ended ("current quarter")

30 SEPTEMBER 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(69)	(69)
(b) development	-	-
(c) production	-	-
(d) staff costs	(113)	(113)
(e) administration and corporate costs	(33)	(33)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(215)	(215)

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

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

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	250	250
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	250	250

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3	3
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(215)	(215)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	250	250
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	38	38

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	38	3
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)	38	3

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
30
-

Item 1.2 includes remuneration payments to directors.

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 <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	9,000	4,500
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.		

In July 2019 and September 2019, the Company announced that Tygola Pty Ltd (**Tygola**) has agreed to continue to support the Company through loan facilities. A summary of the loan arrangements in place are:

- \$3 million secured loan provided to the Company in May 2018 (**Facility 1**) which is due to be repaid on 31 December 2019;
- a second secured loan agreed in January 2019, approved at the General Meeting held on 11 May 2019 (**Facility 2**), which has been increased from \$1.25 million to \$1.5 million and which is due to be repaid on 31 December 2019;
- a third, unsecured loan of \$1.5 million (**Facility 3**) which is due to be repaid on 31 December 2019; and
- a fourth, unsecured loan of \$3 million (**Facility 4**) which is due to be repaid on 31 December 2019;

together providing a total facility limit of \$9 million (Total Facility).

Save for Tygola having the option of converting funds drawn down under Facility 2 at \$0.004 per ordinary share, the loans are repayable in cash. The conversion option is fixed for fixed and the equity component is not material.

A 5% facility fee on drawdowns and interest of 10% per annum is payable on balances owing.

At 30 September 2019, a total of \$4.50 million has been drawn down, leaving a total balance of \$4.5 million available under Facilities 3 and 4.

9. Estimated cash inflows and outflows for next quarter	\$A'000
9.1 Exploration and evaluation	1,171
9.2 Development	-
9.3 Production	-
9.4 Staff cost	324
9.5 Administration and corporate costs	749
9.6 Other:	
Drawdown of Tygola loan facility	(2,244)
9.7 Total estimated cash outflows	-

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.


(Company Secretary)

Date: 30 October 2019

Print name: Catherine Grant-Edwards

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.