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31 October, 2016

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Quarterly Report

For period ended 30 September, 2016

Allegiance Coal Limited

Sale of Shares

Gullewa sold all its shareholdings in Allegiance Coal Limited at a price of \$.005 cents for a gross consideration of \$ 536,528 .

Loan Repayments

Gullewa Ltd was paid \$1,104,000 on 4 August 2016 in partial satisfaction of the amount owed to it. The balance outstanding of \$659,000 may be satisfied by the issue and allotment of shares in Allegiance Coal Limited at a price of \$0.005 per share (subject to any share reconstruction and shareholders' approval) or by repayment in cash, subject to Gullewa's agreement. The loan will be interest free for a period of three years, after which interest will accrue on any unpaid balance. The loan must be repaid in full, whether in cash or by the issue and allotment of shares in accordance with the agreement reached between the parties, within five years.

Central Iron Ore Limited (Gullewa Limited 37%)

Gold

The South Darlot Gold Project area is approximately 320km North West of Kalgoorlie and includes the British King mine which is 100% owned and NI43-101 compliant. The British King mine is 5km west of Barrick Gold Corporation's Darlot Mine. The British King Mine is currently under care and maintenance.

British King

On December 02, 2014, CIO announced that it has completed the AUD\$1.1 million sale of its British King Gold Mine in Western Australia to BK Gold Mines Pty Ltd. BK continued mining this quarter. CIO is entitled to production payments totalling 540 ounces of gold when BK produce and sell 22,500 ounces. Mining has commenced.

Barrick Joint Venture

As at the date of this report, the Company has earned a 70% interest in the Barrick JV Tenements in accordance with the Barrick JV and is continuing exploration on the Barrick JV Tenements. The company has currently spent to date is in excess of AUD\$700,000. A formal joint venture agreement is in the process of being drafted between Barrick and CIO but has not yet been finalised.

Eureka Gold

The Eureka Gold Project is approximately 50km North of Kalgoorlie in Western Australia and covers an area of 563 hectares. The Eureka Gold Project includes the Eureka open pit gold mine which is 100% owned by CIO and is NI43-101 compliant. The Eureka gold mine is currently under care and maintenance.



One party has commenced a due diligence process on the project.

Minerals

Claymor Resources Pty Ltd (Gullewa 100%)

We are currently reviewing other projects.

Property

Work is continuing on the detailed design work which will allow the project costings to be commenced. Marketing arrangements are being finalised.

Royalty -Deflector 1%

First gold production from the Deflector Gold Project commenced in May 2016, following the development and commissioning of a purpose-built processing plant and operation.

Gullewa expects to receive its first royalty payment in the next quarter.

Corporate

The cash position at the end of June, 2015 was \$2.8 million.

Allegiance Coal Limited

The accounts of Allegiance Coal Limited will not be consolidated with Gullewa Limited this quarter.

Contacts:

For further information please contact:

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