



September 2016

GALAXY

QUARTERLY REPORT

Highlights

Significant events during the quarter

- **Mt Cattlin commissioning ahead of schedule**
- **Sal De Vida revised DFS confirms robust operation**
- **Galaxy included in ASX 200**
- **General Mining takeover closed on 5 August 2016**
- **Galaxy completes compulsory acquisition of GMM shares**

Corporate

Galaxy closed its off-market takeover bid for General Mining Corporation Limited (ASX:GMM) on 5 August 2016, with the Company acquiring interest in 96.74% of GMM's fully paid, ordinary shares ("GMM Shares").

The Company subsequently lodged and sent compulsory acquisition notices to acquire all remaining GMM Shares not accepted into the takeover bid in accordance with the Corporations Act. GMM has since become a wholly-owned subsidiary of Galaxy, following which, GMM Shares were then suspended from trading on the ASX and delisted in accordance with the ASX Listing Rules.

Galaxy has now completed the issue of Galaxy shares for the acquisition.

With the successful closing of the takeover bid, the Company announced the appointment of Mr Martin Rowley and Mr Anthony Tse to the GMM board, and Mr Michael Fotios to the Company's board as a non-executive director, as of Tuesday 9 August 2016.

The Company also announced that executive director Mr Charles Whitfield retired from the Board effective as of 19 August 2016

About Galaxy Resources

Galaxy Resources Ltd ("Galaxy") is a lithium-focused resources company, with assets spanning Australia, Canada and Argentina. The Company is listed on the Australian Securities Exchange (Code: GXY)

Galaxy is currently advancing plans to develop the Sal de Vida Lithium and Potash Brine Project ("Sal de Vida") in Argentina, which is situated in the Lithium Triangle, a region where Chile, Argentina and Bolivia meet and presently accounts for 60% of global lithium production. Sal de Vida is a proven high quality resource and has excellent prospects as a future low cost production facility.

The Company also owns the Mt Cattlin Spodumene Mine near Ravensthorpe in Western Australia, production commenced in April 2016 with its operating partner General Mining Corporation Limited ("GMM"). Galaxy also owns the James Bay Lithium Pegmatite Project in Quebec, Canada.

Once processed, lithium compounds are used in the manufacture of ceramics, glass, and electronics and an essential ingredient in producing battery materials such as cathode and electrolyte. It is also used in the manufacture of long life lithium-ion batteries used for consumer electronics, power tools, electric bikes as well as hybrid and electric vehicles. Anticipating the growing demand, Galaxy is positioning itself to become a major supplier of high quality lithium.

www.galaxylithium.com

Projects

Mt Cattlin

Galaxy Resources provided an in depth update to the market during the quarter after it had assumed full control of Mt Cattlin following the closing of the GMM takeover.

Following the successful completion of the takeover of GMM, the Company engaged experienced lithium plant engineering company Primero Group (“Primero”) to conduct a comprehensive review of the status of the Mt Cattlin plant construction, commissioning and production schedule.

Galaxy reported that the refurbishment and upgrade of Mt Cattlin had passed 80% completion. Primero mobilised their team to site in late August to finalise the construction and completions packages and to begin implementing their planned commissioning and start-up program. The Primero team has significant experience as project managers in the construction, commissioning and ramp-up of other hard rock lithium/tantalum projects very similar to Mt Cattlin.

Since mobilising to site Primero have undertaken a complete gap analysis. Re-sequencing of a number of activities has enabled the construction to progress along the critical path elements to maintain focus on key areas of the plant for commissioning and ramp-up.

The combination of changes being built into the mica removal circuit, increased throughput capacity, the project management changes and a period of heavy seasonal weather have resulted in delays to the production and shipment forecast previously announced by GMM. Galaxy now expects final commissioning and first production to be during November, with first shipment from the Port of Esperance during December 2016.

Galaxy has kept their offtake counterparty, Mitsubishi Corporation, fully informed of the anticipated delays including taking representatives of Mitsubishi and one of our Chinese customers to site during the week of 22 August 2016. Notwithstanding the anticipated delay to first shipment, customers have requested increased tonnage above the already contracted amount for 2017. Galaxy will be negotiating terms for the additional tonnage with Mitsubishi and the Chinese customers after steady-state production has been achieved.

Detailed Progress Update

Previous spodumene production from Mt Cattlin had a high mica content which resulted in much higher operational costs through higher transport charges and penalties. An integral part of the restart of Mt Cattlin has therefore incorporated a redesign of the mica removal circuit to incorporate reflux classifiers. By joining mica removal with lithium beneficiation as a single stage, the redesign focused on:

- Reduction of mica content below 5% total mass in the finished concentrate
- Upgrading fine lithium content to above 5.5% Li₂O
- Reduction of operational costs for fines treatment by removal of flotation circuit

The reflux classifier separates particles based on density, similar to that of the coarse circuit at Mt Cattlin where coarse particles are separated in the dense medium separation (“DMS”) circuit. Due to the size limitations of DMS, fine spodumene is historically only recovered through flotation, which requires:

- chemicals
- specific water quality
- separate water recovery circuit
- specialised equipment
- additional operating labour
- increased filtration capacity
- fine grind size

The revised flow sheet incorporating the use of reflux classifiers as a dual-duty mica removal and lithium beneficiation circuit is expected to achieve considerable efficiencies. The change required the addition of a second reflux classifier to the fines circuit. This allowed for a closer particle size range



in each unit, reducing the loss of lithium to tails. These circuit changes will however require an extended commissioning duration. Further optimisation steps are planned to increase final yields and may incorporate a small flotation circuit as a second stage lithium concentration circuit.



Reflux building complete

A summary of the status of other key activities is as follows:

- MCC (Motor Control Centre) modifications nearing completion
- Field terminations to major equipment commenced
- Modified feed preparation circuit in pre-commissioning
- New reflux classifier building erection complete
- All major equipment installed in reflux classification circuits with piping and electrical installation progressing
- Tailings thickener modifications nearing completion
- All major equipment installed in the fines classification and tantalum beneficiation circuits with piping and electrical installation progressing
- Modifications to final product materials handling transfer 60% complete
- Fines filter structure in position with horizontal vacuum belt installed
- DMS circuits re-configuration and upgrade in progress

Primero Milestones

Circuit	Milestone	Date (Week Beginning)
All circuits	Dry sequence commissioning	11 September
Feed classification	Wet commissioning	25 September
Tantalum beneficiation	Wet commissioning	2 October
Reflux classification	Wet commissioning	9 October
Dense medium separation	Wet commissioning	6 November
Dewatering & tailings	Wet commissioning	13 November
All circuits	Water commissioning	20 November
All circuits	Ore commissioning and production commencement	27 November
Esperance Port	First shipment	December

Galaxy and Primero undertook a detailed assessment of the capital costs expended to date and forecast to complete the construction and commissioning of Mt Cattlin until first revenue is received from Mitsubishi, now scheduled for December 2016. The total capital cost is now forecast to be A\$22.4 million compared to the A\$15million previously announced by General Mining, resulting from the throughput capacity upgrades together with the other plant modifications as outlined.

Exploration

Assays have been received for pegmatite samples within the first four of six holes drilled during 2016 (Hole MTCDD1 and daughter hole MTCDD1W1 (MTCDD1/W1) through to Hole MTCDD4). The six holes formed a deep stratigraphic diamond drilling programme designed to provide greater geological understanding of the Mt Cattlin structural architecture and assist in determining optimal depths for planned infill and extensional drilling of the known lithium-tantalum resource (refer figures 1, 2, 3, and 4).

Importantly, the Company has greatly improved its geological knowledge beneath the existing depth extent of the current mineral resource. The recent drilling has now defined a new zone some 500m wide and at least 150m long, open in all directions but in particular to the east, where it appears to be increasing in thickness.

Galaxy believes that given the revised scale of the mineralizing system, significant potential exists for finding additional repetitions in upthrust faulted positions closer to surface in open-pit scenarios, given the complex post-mineralization history of the area and the lack of exploration around the known resource.

2017 Drilling Program and Mt Cattlin Mineral Resource and Ore Reserve

Planning for the next drilling program is currently underway, with a focus on lateral extensions to the existing mineral resources and increasing the drilling density within the zones of the current mineral resource with an Inferred classification. Galaxy has also engaged consultants to review and update the current mineral resource and ore reserve. This is now in its final stages of completion and Galaxy will advise the market with the updated numbers in due course.

***For further information on the exploration results please see ASX announcement released on the 20 September 2016**

Sal de Vida

Galaxy provided an update to its Definitive Feasibility Study (“DFS”) on its Sal de Vida Project during the quarter, this has reaffirmed the strong potential for a low cost and long life operation.

The revised DFS estimates a post-tax net present value (“NPV”) of US\$1.416 billion at an 8% discount rate (US\$1.043 billion at a 10% discount rate). Sal de Vida has the potential to generate average annual revenues of US\$354 million and average operating cash flow of US\$273 million per annum. Average operating costs have been estimated at US\$3,369 per tonne before potash credits and US\$2,959 per tonne to produce battery grade lithium carbonate. The revised total capital cost is estimated at US\$376 million.

The Mineral Reserve estimate of 1.1 million tonnes of recoverable lithium carbonate equivalent and 4.2 million tonnes of potassium chloride (potash or KCl) equivalent for the project supports annual production of 25,000 tonnes of battery grade lithium carbonate and 95,000 tonnes of potash over a period of 40 years. Total production is expected to be derived from proven reserves (16%) and from probable reserves (84%). The DFS has been modelled on an operation with production at these levels, assuming an initial 3-year ramp up for lithium carbonate production to achieve full capacity, with potash production assumed to be deferred by one year for production start with a 2-year ramp up to achieve its planned production capacity.

The capital costs that relate to the potash plant and related infrastructure are approximately US\$34 million, with operating cost credit of approximately US\$410 per tonne of lithium carbonate produced. The DFS provides for the option to defer the capital commitment on building the potash circuit subject to potash price market conditions at the time.

DFS Financials Comparison

Item	Units	August 2016	April 2013	Change (%)
Project Life	Years	>40	>40	-
Capital cost ¹	US\$m	376	369	+2%
Operating costs (Li ₂ CO ₃ units)	US\$/t	3,369	2,889	+17%
Production capacity (Li ₂ CO ₃)	tpa	25,000	25,000	-
Production capacity (KCl)	tpa	95,000	95,000	-
IRR (post-tax)	% real	34.6%	19%	+16% (absolute) +82% (relative)
Payback (post-tax)	Time	2 years 10 months	4 years 7 months	Less 1 year 9 months
NPV _{8% real} (post-tax)	US\$m	1,416	565	+151%
NPV _{10% real} (post-tax)	US\$m	1,043	380	+174%
NPV _{8% real} (post tax) @ AUDUSD 0.75	A\$m	1,888	753	+151%
NPV _{10% real} (post tax) @ AUDUSD 0.75	A\$m	1,391	506	+174%

Notes:

1. Inclusive of capital costs associated with potash production facility
2. Pricing scenarios assume the following ranges throughout the life of the project for battery grade lithium carbonate and potash:
Li₂CO₃ US\$11,000 to US\$13,911 and KCl US\$220 flat

Sal de Vida Resource and Reserve Estimates

Mineral Resource Estimation

Consultants Montgomery & Associates (“M&A”) were engaged to estimate the lithium and potassium resources and reserves in brine for various areas within the Salar de Hombre Muerto basin in accordance with the 2012 edition of the JORC code (“JORC 2012”). Although the JORC 2012 standards do not address lithium brines specifically in its guidance documents, M&A followed the NI43 43-101 guidelines for lithium brines set forth by the Canadian Institute of Mining, Metallurgy and Petroleum (CIM 2012) which M&A considers complies with the intent of the JORC 2012 guidelines with respect to providing reliable and accurate information for the lithium brine deposit in the Salar del Hombre Muerto. The updated Mineral Resource estimate of lithium (Li), lithium carbonate (Li₂CO₃), potassium (K) and potassium chloride (KCl) for the Sal de Vida Project is as follows:

Table 1 – Mineral Resource Estimate

Resource Category	Brine Volume (m ³)	Avg. Li (mg/l)	In situ Li (tonnes)	Li ₂ CO ₃ Equivalent (tonnes)	Avg. K (mg/l)	In situ K (tonnes)	KCl Equivalent (tonnes)
Measured	7.2 x 10 ⁸	787	565,000	3,005,000	8,695	6,241,000	11,902,000
Indicated	7.0 x 10 ⁸	712	501,000	2,665,000	8,021	5,641,000	10,757,000
M+Ind	1.4 x 10 ⁹	750	1,066,000	5,670,000	8,361	11,882,000	22,659,000
Inferred	3.8 x 10 ⁸	764	294,000	1,562,000	8,428	3,237,000	6,174,000
TOTAL M+Ind+Inf	1.8 x 10⁹	753	1,360,000	7,232,000	8,377	15,119,000	28,833,000

Note: Assumes 500 mg/L Li cut off

Mineral Reserve Estimation

M&A have reviewed the Mineral Reserve estimate and consider that there has been no change to the estimate as a result of the updated Mineral Resource estimate.

Total tonnages for the economic Mineral Reserve values provided in Table 2 account for anticipated leakage and process losses of lithium and potassium. Table 2 gives results of the Proven and Probable Reserves from the Southwest and East well fields when these percent estimated processing losses are factored in, assuming a continuous average brine extraction rate of 30,000 m³/d.

Table 2 – Probable and Proven Reserve Statement

Reserve Category	Time Period (Years)	Tonnes Li Total Mass	Tonnes Equivalent Li ₂ CO ₃	Tonnes K Total Mass	Tonnes Equivalent KCl
Proven	1 - 6	34,000	181,000	332,000	633,000
Probable	7 - 40	180,000	958,000	1,869,000	3,564,000
Total	40 years total	214,000	1,139,000	2,201,000	4,197,000

Note: Assumes 500 mg/L Li cut off



*For further information on the Sal De Vida revised DFS please see ASX announcement released on the 22 August 2016

ENVIRONMENTAL PERMITTING AND LAND MANAGEMENT

The Catamarca Mining Secretary division that handles permitting and environmental matters (DIPGAM) has requested additional studies to renew SDV's DIA (Environment Impact Declaration). Studies were quoted and contractors chosen to perform the field work required. All tenements, in Salta and Catamarca are in good standing.

PROCESS TEST WORK, ENGINEERING AND SITE STUDIES

The engineering production slowed down at the end of the quarter to prioritise financial resources to the ramp up of Mt Cattlin. Key team members were invited to visit the PVC geo-membranes production plant in Brazil. The visit gave the key Sal De Vida owners team the opportunity to assess modern waterproofing solutions for the evaporation ponds.

A topographic survey was conducted over certain parts of the SDV salar identified to support the demo plant and related evaporation ponds. Results were submitted to the civil and construction engineering consultant who is providing support on these initiatives.

PUBLIC AND OVERNMENT RELATIONS

Another Galaxy commitment to the Catamarca Mining Secretary was honored in Q3, with the first staff from Catamarca city being hired, along with securing the new Galaxy office in Catamarca city. This marked another milestone in completing a series of agreed outcomes in 2016.

Galaxy SDV team members also actively participated in different events organized both by the public and private sector in Salta and Catamarca. These events indicated the focus put on the lithium sector in recent months and Galaxy representatives helped consolidated the Company's presence as well as its leadership.

James Bay

A DFS team was assembled in 2016 to review all existing data and to undertake a site visit in June 2016. A formal plan will be put together to commence definitive feasibility work in Q1 2017. Galaxy also arranged for a 40 tonne sample to be shipped to Perth, Western Australia to begin test work on the James Bay project.

All claims at James Bay are confirmed to be in good standing.

-ENDS-

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Competent Person Statement

Sal de Vida

The information in this report that relates to the estimation and reporting of the Sal de Vida Project Mineral Resources and Mineral Reserves is extracted from the report entitled “Sal De Vida: Revised Definitive Feasibility Study Confirms Low Cost, Long Life and Economically Robust Operation ” created on 22 August 2016 which is available to view on www.galaxylithium.com and www.asx.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the Mineral Resources and Mineral Reserves estimates in the relevant market announcement continue to apply and have not materially changed . The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

James Bay

The information in this report that relates to Mineral Resources at the James Bay Project is based on work completed by Mr James McCann, who is a Member of a Recognised Overseas Professional Organisation. Mr McCann is a full time employee of McCann Geosciences, and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the ‘Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr McCann consents to the inclusion in the report of the matters based on his information in the form and context it appears. . This information was prepared and first disclosed under the JORC Code 2004 it has not been updated since to comply with JORC code 2012 on the basis that the information has not materially changed since it was last reported.

Mt Cattlin

The information in this report that relates to exploration results is extracted from the report entitled “Mt Cattlin Exploration Update” created on 20 September 2016 which is available to view on www.galaxylithium.com and www.asx.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The Company understands that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

Production Targets and Financial Information

Information in relation to the Sal De Vida Revised Definitive Feasibility Study, including production targets and financial information, included in this report is extracted from the report entitled “Sal De Vida: Revised Definitive Feasibility Study Confirms Low Cost, Long Life and Economically Robust Operation ” created on 22 August 2016 which is available to view on www.galaxylithium.com and www.asx.com.au. The Company confirms that all material assumptions underpinning the production target and financial information set out in the announcement dated 22 August 2016 continue to apply and have not materially changed.



Caution Regarding Forward Looking Information

This document contains forward looking statements concerning Galaxy.

Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward looking statements as a result of a variety of risks, uncertainties and other factors. Forward-looking statements are inherently subject to business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking information provided by the Company, or on behalf of, the Company. Such factors include, among other things, risks relating to additional funding requirements, metal prices, exploration, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes.

Forward looking statements in this document are based on Galaxy's beliefs, opinions and estimates of Galaxy as of the dates the forward looking statements are made and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

Not For Release in US

This announcement has been prepared for publication in Australia and may not be released in the U.S. This announcement does not constitute an offer of securities for sale in any jurisdiction, including the United States and any securities described in this announcement may not be offered or sold in the United States absent registration or an exemption from registration under the United States Securities Act of 1933, as amended. Any public offering of securities to be made in the United States will be made by means of a prospectus that may be obtained from the issuer and that will contain detailed information about the company and management, as well as financial statements.

Tenement Schedule as at 30 September 2016

Project	Tenement	Notes (100% interest unless stated)
<u>Argentina</u>		
<u>Sal De Vida</u>	Various	
<u>Australia</u>		
<u>Boxwood Hill</u>	E70/2493	
<u>Ravensthorpe</u>		
Bakers Hill	E74/299	
	E74/415	
Floater	E74/400	
Mt Cattlin	L74/46	
	L74/48	
	M74/244	
Sirdar	E74/401	80% Interest with Traka Resources.
West Kundip	L74/47	
	M74/133	
	M74/238	
<u>Lennonville</u>	M58/0072	
	P58/1492	50% Interest
	P58/1493	50% Interest
	P58/1494	50% Interest



	P58/1564	50% Interest
<u>Chesterfield</u>	E51/1602	
	E51/1603	
	E51/1604	
<u>Mercury Hill</u>	M45/0538	
<u>Meekatharra</u>	M51/0270	
	M51/0353	
	M51/0451	
<u>Mt Success</u>	M58/0356	
<u>Canada</u>		
<u>James Bay</u>	Various	

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

Galaxy Resources Limited

ABN

11 071 976 442

Quarter ended ("current quarter")

30 September 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	2,977	9,159
1.2 Payments for		
(a) exploration & evaluation	(713)	(879)
(b) development	-	-
(c) production	(476)	(541)
(d) staff costs	(1,513)	(2,250)
(e) administration and corporate costs	(969)	(2,910)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	16
1.5 Interest and other costs of finance paid	(1,023)	(2,639)
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	(1,716)	(44)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(6,128)	(6,159)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter	Year to date (9 months)
		\$A'000	\$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	2	2
	(b) tenements (see item 10)	-	-
	(c) investments	-	27
	(d) other non-current assets	3,000	3,000
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)		
	Cash received on business acquisition	1,923	1,955
2.6	Net cash from / (used in) investing activities	(1,203)	(1,175)

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	-	960
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(1,503)	(1,503)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	750	750
	Funds received in advance for exercise of options		
3.10	Net cash from / (used in) financing activities	(753)	207

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	12,785	10,489
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,716)	(44)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,203)	(1,175)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(753)	207

Consolidated statement of cash flows		Current quarter	Year to date (9 months)
		\$A'000	\$A'000
4.5	Effect of movement in exchange rates on cash held	198	(166)
4.6	Cash and cash equivalents at end of period	9,311	9,311

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	6,087	8,180
5.2	Call deposits	3,224	4,605
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)	9,311	12,785

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	468
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	

Director fees including superannuation and termination payments

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	169
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	

This relates to payments made to Whitestone Mining Services Pty Ltd, a related party to Director Michael Fotios for the provision of staff services.

Mining exploration entity and oil and gas exploration entity quarterly report

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	29,497	29,497
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.		

Amount borrowed from OCP Asia, secured and at 10% interest rate per annum.

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	(750)
9.2	Development	-
9.3	Production	(4,000)
9.4	Staff costs	(500)
9.5	Administration and corporate costs	(1,500)
9.6	Other – Mt Cattlin Construction	(15,000)
9.7	Total estimated cash outflows	(21,750)

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	E51/1602	Acquired in GMM merger	Nil	100%
		E51/1603	Acquired in GMM merger	Nil	100%
		E51/1604	Acquired in GMM merger	Nil	100%
		M45/0538	Acquired in GMM merger	Nil	96%
		M51/0270	Acquired in GMM merger	Nil	100%
		M51/0353	Acquired in GMM merger	Nil	100%
		M51/0451	Acquired in GMM merger	Nil	100%
		M58/0072	Acquired in GMM merger	Nil	96%
		M58/0356	Acquired in GMM merger	Nil	100%
		P58/1492	Acquired in GMM merger	Nil	50%
		P58/1493	Acquired in GMM merger	Nil	50%
		P58/1494	Acquired in GMM merger	Nil	50%
		P58/1564	Acquired in GMM merger	Nil	50%

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 October 2016

Print name: Simon Robertson

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.