

31/01/2017

ASX Limited
Company Announcements Office
SYDNEY NSW 2000

QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDING DECEMBER 31ST 2016

HIGHLIGHTS

- *An exploration program for granted tenement E28/2571 (within 3km of the Kurnalpi townsite) is being planned for next quarter.*
- *A program of soil and rock chip sampling will be conducted on the tenement*
- *A follow-up drilling program will be submitted to the Department of Minerals and Petroleum for a Permit of Works when the initial sampling is completed.*
- *Assessment of potential gold and base metal projects in the goldfields of Western Australia is continuing.*

DETAILS

KURNALPI PROJECT, WA

The Kurnalpi area east of Kalgoorlie in the Eastern Goldfields of WA has been assessed by the company geologist and potential projects are being investigated. The Company has been granted tenement E28/2571 situated approximately 80 kilometres northeast of Kalgoorlie.

Tenement E28/2571 is located on the Kurnalpi SH51-10 1:250,000 scale Geology Map Sheet and on the Mulgabbie 1:100,000 scale Geology Map Sheet within the Kurnalpi Greenstone Terrane. The solid geology of the area is dominated by a greenstone belt containing mafic and ultramafic rocks adjacent to a granite basement. The tenement is adjacent to numerous historical mines at Kurnalpi and Federal Maori which are known to have been gold producers within the Kurnalpi greenstone belt. See Figure 1 below for location of the tenement area.

The Kurnalpi greenstone belt is host to many small historical gold mines mainly occurring within the mafic volcanics and within shear zones or faults and contacts. The gold often occurs in brittle fracture-generated quartz veins that are related to movements along the major structures. Tenement E28/2571 contains several shear and fault structures through the mafics and along the mafic/ultramafic boundaries. These are all potential pathways for hydrothermal fluids and would be an ideal structural setting for gold mineralisation. Analysis of geological, geophysical and satellite image trends has shown that there are significant anomalies worth exploring. The Total Magnetic Intensity (TMI) map shows distinct magnetic highs as well as areas where de-magnetisation is interpreted to occur. See Figure 2.

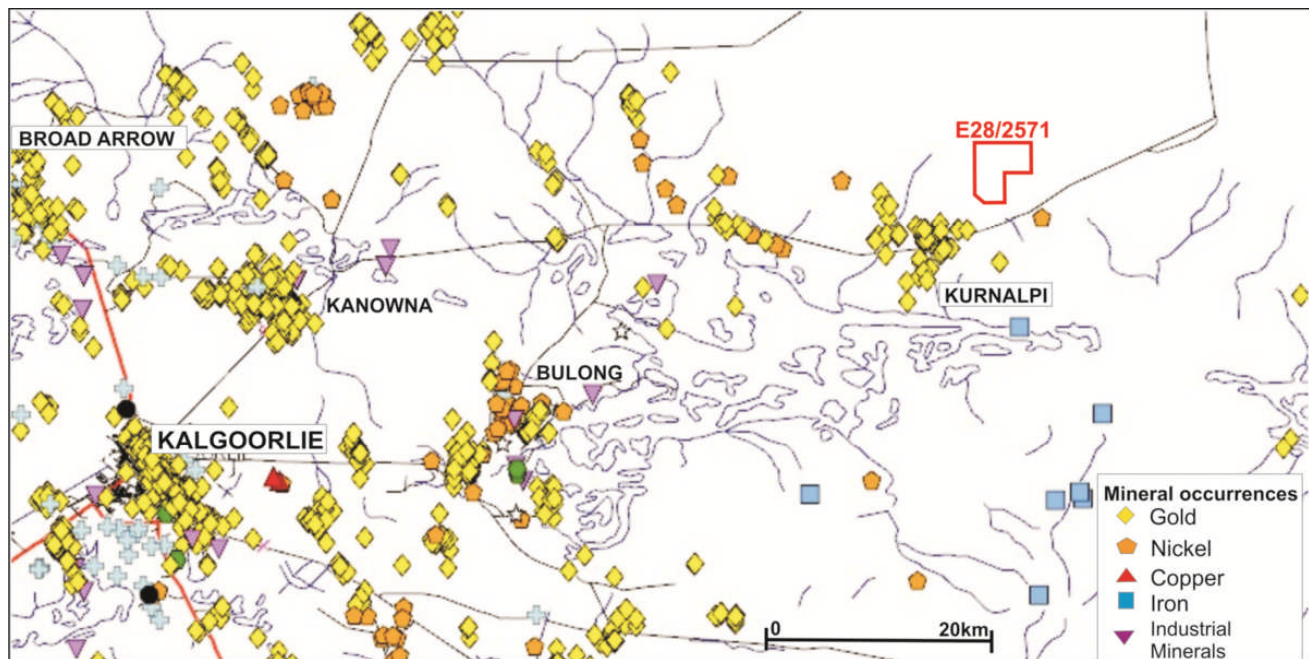


Figure 1: Location of Kurnalpi tenement E28/2571

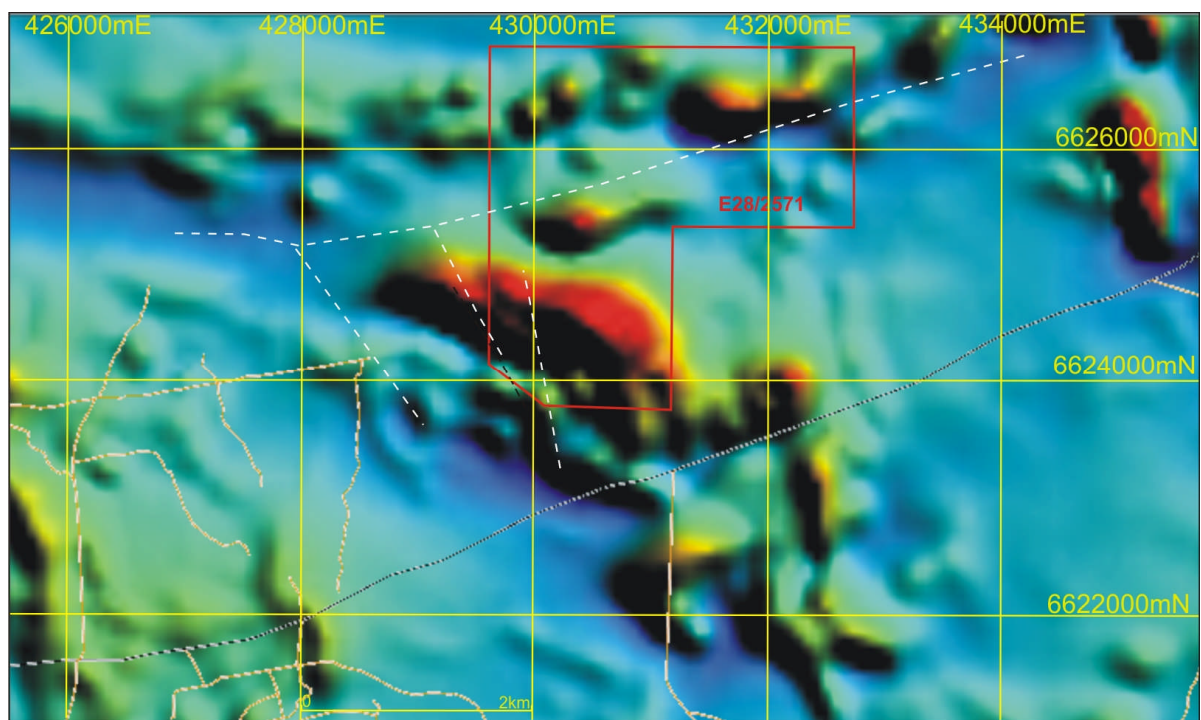


Figure 2: Total Magnetic Intensity (TMI) image of tenement E28/2571

A review of the interpretations and the generated targets is currently being undertaken for this tenement. There are several linear and spot anomalies worthy of follow up. Because these seem to be more common in the southern portion of the tenement it is thought that exploration efforts should be concentrated here. It is therefore proposed to conduct three parallel NE- trending traverses for soil and rock sampling to be completed in conjunction with geological mapping. These traverses are each about 2 kilometres long and would cross the interpreted rock unit boundaries as well as structural boundaries. If sampling is conducted every 100m on these lines it will provide a geochemical picture as well as a geological one. This would then form the basis of identifying follow-up drill targets. See Figure 3 showing the location of the proposed traverses.

Interim Sampling Plan

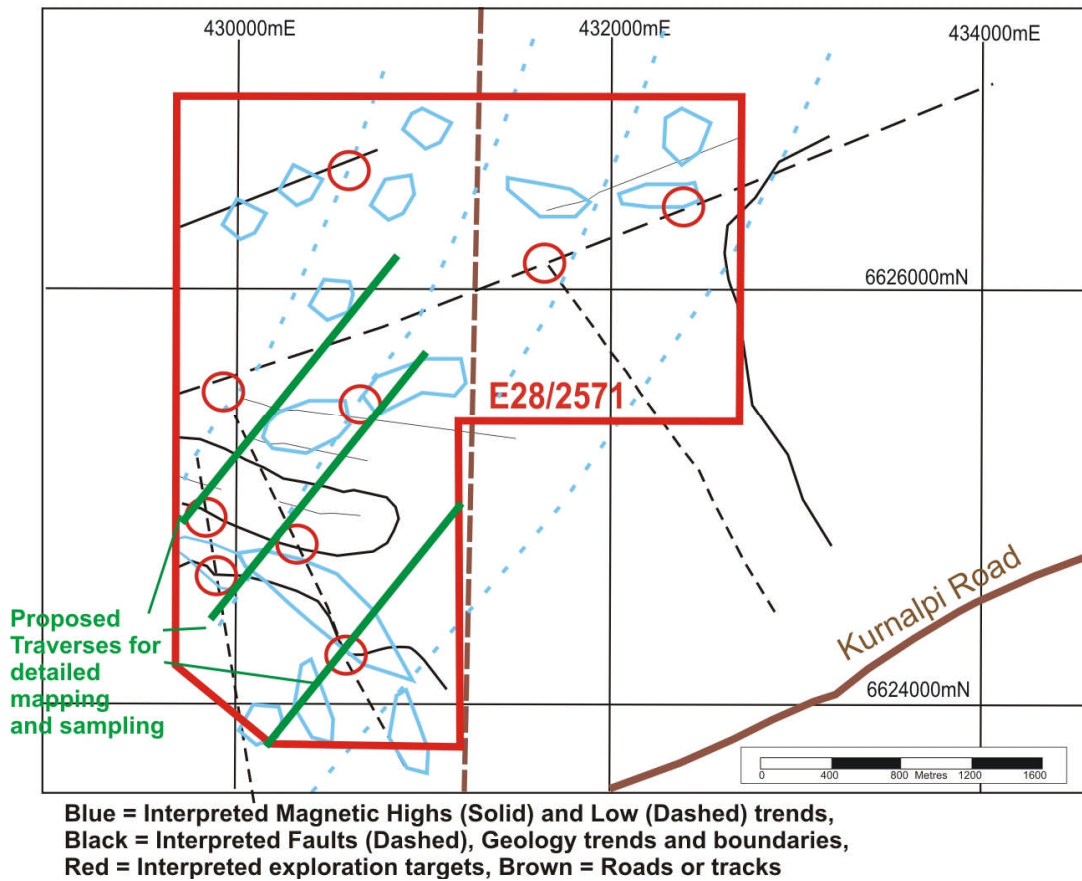


Figure 3: Interim Sampling Plan for 3 traverses across interpreted anomalies

Tenement Information as Required by Listing Rule 5.3.3 For the Quarter Ended 31 December 2016					
Project	Location	Tenements	Economic Interest	Notes	Change in Quarter %
Western Australia	Kurnalpi	EL28/2571	100% Granted		0
Western Australia	Kurnalpi	EL51/2577	100% On application		0

Mick Stroud
Executive Chairman
 31/1/2017

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, 01/05/2013

Name of entity

Wavenet International Limited

ABN

50 087 139 428

Quarter ended ("current quarter")

31 December 2016

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'ooo	Full Year \$A'ooo
1.1	Receipts from product sales and related debtors	95	95
1.2	Payments for (a) exploration & evaluation	-	(3)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(45)	(91)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	-
1.5	Interest and other costs of finance paid	(11)	(21)
1.6	Income taxes paid	(53)	(107)
1.7	Other (provide details if material)	-	-
	Net Operating Cash Flows	(14)	(127)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	19	119
1.12	Other (provide details if material)	-	-
	Net investing cash flows	19	119
1.13	Total operating and investing cash flows (carried forward)	5	(8)

1.13	Total operating and investing cash flows (brought forward)	5	(21)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	5	(8)
1.20	Cash at beginning of quarter/year to date	1	14
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	6	6

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	0
1.24	Aggregate amount of loans to the parties included in item 1.10 and 1.11	0

1.25 Explanation necessary for an understanding of the transactions

The amount shown at 1.23 represents payments to directors for remuneration
The amounts shown at 1.10 (\$0) and 1.11 (\$103,000) represent loan funds advanced to and loan funds repaid from Old Valley Unit Trust

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

This quarter - None

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	720	720
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	10
4.2 Development	0
4.3 Production	0
4.4 Administration	45
Total	55

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	6	1
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	6	1

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	None		
6.2	Interests in mining tenements and petroleum tenements acquired or increased	None		

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference			
	+securities			
	<i>(description)</i>			
7.2	Changes during quarter			
	(a) Increases through issues			
	(b) Decreases through returns of capital, buy-backs, redemptions			
7.3	+Ordinary securities	110,955,320	110,955,320	Fully Paid
7.4	Changes during quarter			
	(a) Increases through issues			
	(b) Decreases through returns of capital, buy-backs			
7.5	+Convertible debt securities			
	<i>(description)</i>			

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	N/A			
7.7	Options (description and conversion factor)	N/A			
7.8	Issued during quarter	-			
7.9	Exercised during quarter	-			
7.10	Expired during quarter	-			
7.11	Debentures (totals only)	-			
7.12	Unsecured notes (totals only)	-			

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).

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

Sign here

Date: 31/01/2017

(Director,

Print name: Edward Stroud

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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 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.

5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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