

DECEMBER 2017 QUARTER ACTIVITIES AND CASH FLOW REPORT

Highlights:

- Substantial JORC compliant Exploration Target added to the existing Kempfield resource.
- Potential extent of mineralisation identified to multiples of current resource dimensions:
 - ★ Strike length – increased 2.5 times to 3.0 km, with further potential to 7 km;
 - ★ Width – increased 1.8 times to 650 m;
 - ★ Depth – increased 2.0 times to 400 m.
- Excellent Kempfield metallurgical test results – metal recoveries significantly exceed historical assumptions.
- Acquisitions in world-class Mount Read Volcanics belt Tasmania.
- \$2.5 M cash, following receipt of R&D claim funds and completion of oversubscribed placement to sophisticated investors.

Argent Minerals Limited (ASX: ARD, Argent, or the Company) is pleased to report its activities and cash flow for the quarter ended 31 December 2017.

KEMPFIELD EXPLORATION TARGET

On 8 November 2017 Argent announced that a material JORC 2012-compliant Exploration Target has been estimated by H&S Consultants Pty Ltd (H&SC) for potential mineralisation to be added to the existing Mineral Resource through infill drilling:

Mineral Resource

		Silver (Ag)		Gold (Au)		Zinc (Zn)		Lead (Pb)		In-situ Contained Ag Equivalent	
	Resource Tonnes (Mt)	Grade (g/t)	Contained Metal (Moz)	Grade (g/t)	Contained Metal (000 oz)	Grade (%)	Contained Metal (000 t)	Grade (%)	Contained Metal (000 t)	Grade (Ag Eq g/t)	Contained Ag Eq (Moz)
Total	21.8	47	33.0	0.12	86	N/A	200	N/A	97	75	52

Exploration Target

↓ + Through infill drilling programme

		Silver (Ag)		Gold (Au)		Zinc (Zn)		Lead (Pb)		In-situ Contained Ag Equivalent ²	
Approx. Range	Tonnes (Mt)	Grade (g/t)	Contained Metal (Moz)	Grade (g/t)	Contained Metal (000 oz)	Grade (%)	Contained Metal (000 t)	Grade (%)	Contained Metal (000 t)	Grade (Ag Eq g/t)	Contained Ag Eq (Moz)
Lower¹	10	20	6.4	0.1	20	0.6	60	0.3	30	40	13
Upper¹	40	50	64	0.3	390	1.2	480	0.6	240	80	100

An Exploration Target is a statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade, relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resource. The potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to estimate an additional Mineral Resource and it is uncertain if further exploration will result in the estimation of an additional Mineral Resource.

Notes:

1. The upper and lower grades of the Exploration Target estimate do not necessarily correspond to the upper and lower tonnages, nor do the upper and lower grades for each element necessarily correspond. 2. AgEq is based on US\$30/oz Ag, US\$1,500/oz Au, US\$2,200/t Pb and Zn, recoverable and payable @ 80% of head grade for Ag and Au and 55% for Pb and Zn. 3. The Exploration Target estimate is based on a cutoff grade 50 g/t Ag Eq. 4. For a summary of the existing Mineral Resource refer to Appendix B of this announcement, and for details of the Exploration Target estimate refer to the 8 November 2017 announcement.

UNPRECEDENTED DEPOSIT SCALE TO MULTIPLES OF CURRENT DIMENSIONS

In the same announcement the Company reported that it has identified further additional potential for mineralisation through two broad scale regional mapping campaigns and petrological analyses of drill core conducted at Kempfield. The following potential extensions are additional to that considered by the Exploration Target estimate, with the **potential dimensions significantly exceeding all historic expectations**:

- **Kempfield host geology continues 4 km along strike to the north** – uninterrupted from the Henry Zone, containing several gossans that have yielded positive results for proximal silver-lead-zinc mineralisation;
- **Additional 800 m strike length to the south.** Mineralisation is considered open along strike to the south; and
- **Copper-gold footwall domain** identified to the west. The potential for mineralisation identified by the sitewide geological review - likelihood that hydrothermal fluids responsible for formation of the Kempfield deposit have passed through this older volcanic package and potentially mineralised the immediate geology.

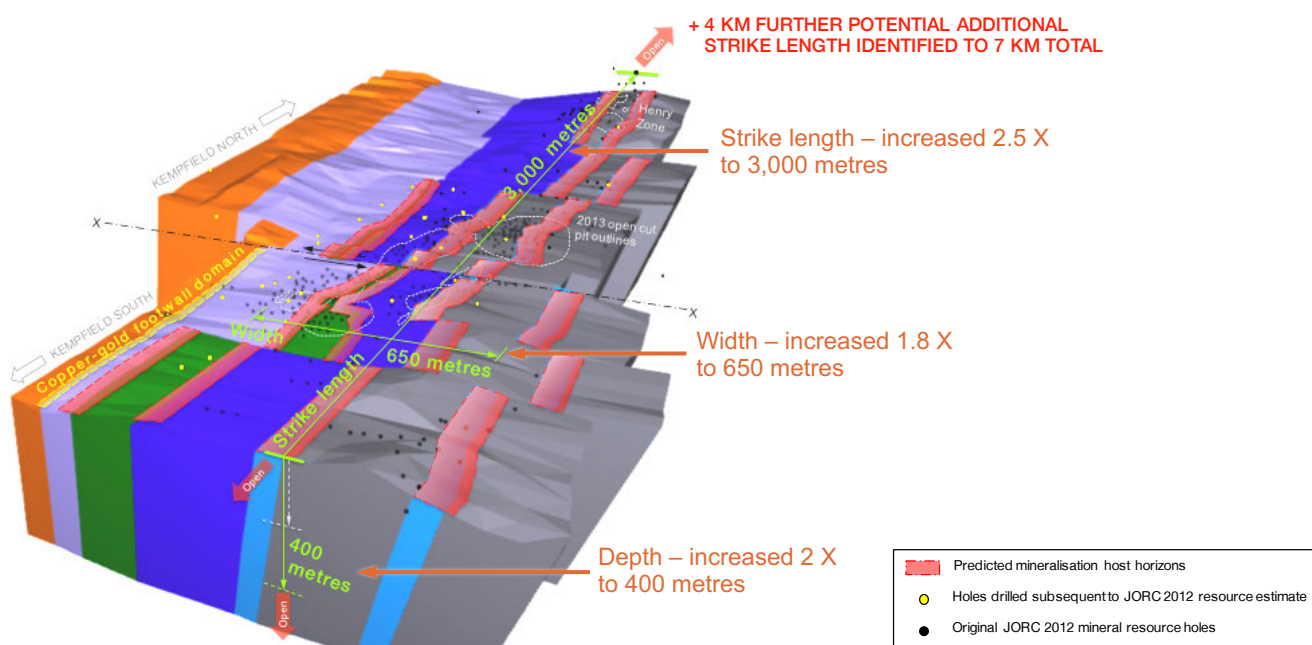


Figure 1 – Screenshot of the revised Kempfield 3D model – isometric view facing North

1. Open cut pit outlines are included in Figure 1 to enable a simplified visual comparison of the increased scale to that of the existing deposit. The pit outlines were submitted to the NSW Government as part of the Company's 2013 Environmental Impact Statement (2013 open cut pit outlines) in relation to a proposed shallow silver and gold mining operation.

About the 3D Kempfield geology and exploration model

The new Kempfield 3D geological model provides a vastly improved level of detail for geometry of the stratigraphy and mineralisation controls for the project. The Company is using these results to design and execute the resource infill drilling programme for a high degree of effectiveness in achieving results.

EXCELLENT KEMPFIELD METALLURGICAL TEST RESULTS

On 9 November 2017 Argent announced that metallurgical testwork has yielded excellent recoveries for Kempfield silver, gold, zinc and lead in a standalone flotation processing environment. The recoveries to an initial bulk metal concentrate are substantially higher than historical feasibility study assumptions for Kempfield deposit material, as summarised in the following table:

Table 1 – Preliminary metallurgical recovery test results versus historical assumptions

	Historical assumption	Recovery test results AF3 Rougher 1 - 6
Zinc	55%	97.5%
Lead	55%	83.4%
Silver	80%	89.5%
Gold	80%	88.6%

Notes

1. These are preliminary results from one test of a series of metallurgical tests yet to be completed, and therefore may not be representative of the ultimate outcome for the completed series.
2. The samples utilised for the tests may not necessarily be representative of the Kempfield deposit due to limited availability of suitable drillcore, and the samples were partially weathered.

About the purpose of the metallurgical tests

Whereas the historical flotation tests were performed on residue from the preceding CIL tests (which can introduce complexities for subsequent flotation recoveries), the recent tests were performed directly on drill core samples from primary material, with the key aim of separating lead and zinc into concentrates in a standalone flotation processing environment.

The metallurgical testwork will be used to devise the most effective processing flow sheet for optimal recovery of metals from Kempfield-specific material into two separate concentrates of saleable grades as the Company continues to advance the Kempfield project toward the ultimate goal of production.

About the metallurgical testwork

Under the supervision of metallurgical engineer Mr. Roland Nice, the first three tests (AF1, 2 and 3) showed that the sulphides float quite readily. One test incorporated a bulk flotation test AF3 with the preliminary recovery results summarised in Table A. The zinc and lead recoveries, in particular, significantly exceed the historical feasibility study assumptions of 55%.

The next test underway at the time of the announcement, AF4, was designed to investigate the ability to separate into two different concentrates. The first photograph (Fig. 2a) represents the initial Lead Rougher flotation stage and indicates good lead mineralisation in the froth. The second photograph (Fig. 2b) represents the Zinc Rougher stage and shows reasonable zinc mineralisation.



Figure 2a – Test AF4: Lead rougher test R1



Figure 2b – Test AF4: Zinc rougher test R1



Kempfield economic feasibility

On 9 November 2017 Argent reported that it is aggressively pursuing Kempfield economic feasibility through several programmes currently directed at the following goals:

- **Increasing the Kempfield mineral resource** – through the infill drilling programme that Argent is designing and executing for validation of the significant Exploration Target estimate announced 8 November 2017;
- **Optimising plant feed grades** – through a combination of (i) improving grades where possible through the above exploration, aided by the new 3D geological model for wireframing identified mineralisation, and (ii) ‘high grading’ the selection of material for milling and processing; and
- **Optimising metal recoveries** - through the continuing metallurgical testing programme, with the preliminary results reported in this announcement exceeding historical assumptions.

WEST WYALONG JOINT VENTURE – ARGENT OWNERSHIP INCREASED TO 77.57%

Argent’s interest in the West Wyalong project has been increased to 77.57% following exploration expenditure subsequent to Argent attaining 70% (announced 27 April 2017), when the cash call/dilution phase of the joint venture commenced.

The expenditure included further analysis of the results of the recent drilling programme.

The purpose of these analyses is to both quantify and qualify detailed specifics on the intersected rock types and mineralisation vectors for the generation of a 3D model of the drilling results. The 3D model will aid drill planning and targeting for the next phase of the West Wyalong project.

ACQUISITIONS IN WORLD-CLASS MOUNT READ VOLCANICS BELT TASMANIA

Subsequent to the quarter, on 29 January 2018 Argent reported that it has acquired report strategic acquisitions in the highly productive Mount Read Volcanics belt of Western Tasmania.

The Ringville and Queensberry tenements have been granted by the Tasmanian Government to Argent following merit-based assessment processes in which the Company’s proposed exploration plans and capabilities were evaluated in separate competitive bidding environments.

About the Ringville tenement located between Renison Bell Tin Mine and Rosebery Polymetallic Mine

Ringville tenement EL12/2017 is strategically situated between two world class mines – 300 metres west of Mine Lease 28M/1993 containing the Rosebery high grade polymetallic mine owned by MMG Ltd (1208:HK), and immediately to the east of (and partially overlain by) Mine Lease 12M/1995 containing the Renison Bell Tin Mine.

The Renison Bell Tin Mine is one of the world’s largest and highest grade tin mines, and is considered to hold more than 85% of Australia’s economic tin resources¹.

Metals X Limited (ASX:MLX), which owns 50% of the project, via Bluestone Mines Tasmania Pty Ltd, has reported a prevailing tin sales price of approximately **A\$26,500/tonne**².

About the Queensberry tenement located near Mt Lyell Copper Mine

Queensberry tenement EL9/2016 is located 11 kilometres northwest of the world class Mount Lyell copper mine. Considered to be Australia’s oldest continually operating mining field³, Mount Lyell produced more than 1.8 million tonnes of copper, 2 million ounces of gold, and 41 million ounces of silver over approximately 120 years⁴.

The 82 square kilometre Queensberry tenement area is heavily populated with old mine workings and 10 recorded mineral occurrences. Four of these comprise the historic Queensberry Mine, which according to government records, achieved grades of up to 40-56% lead, and 6-7 ounces/tonne silver⁵.

Figure 3 illustrates the strategic positioning of the Ringville and Queensberry tenements amongst world class mines, and historical mineralisation estimates for the Pieman, Salmons, Godkin and Queensberry Mine deposits are summarised in Table 2:

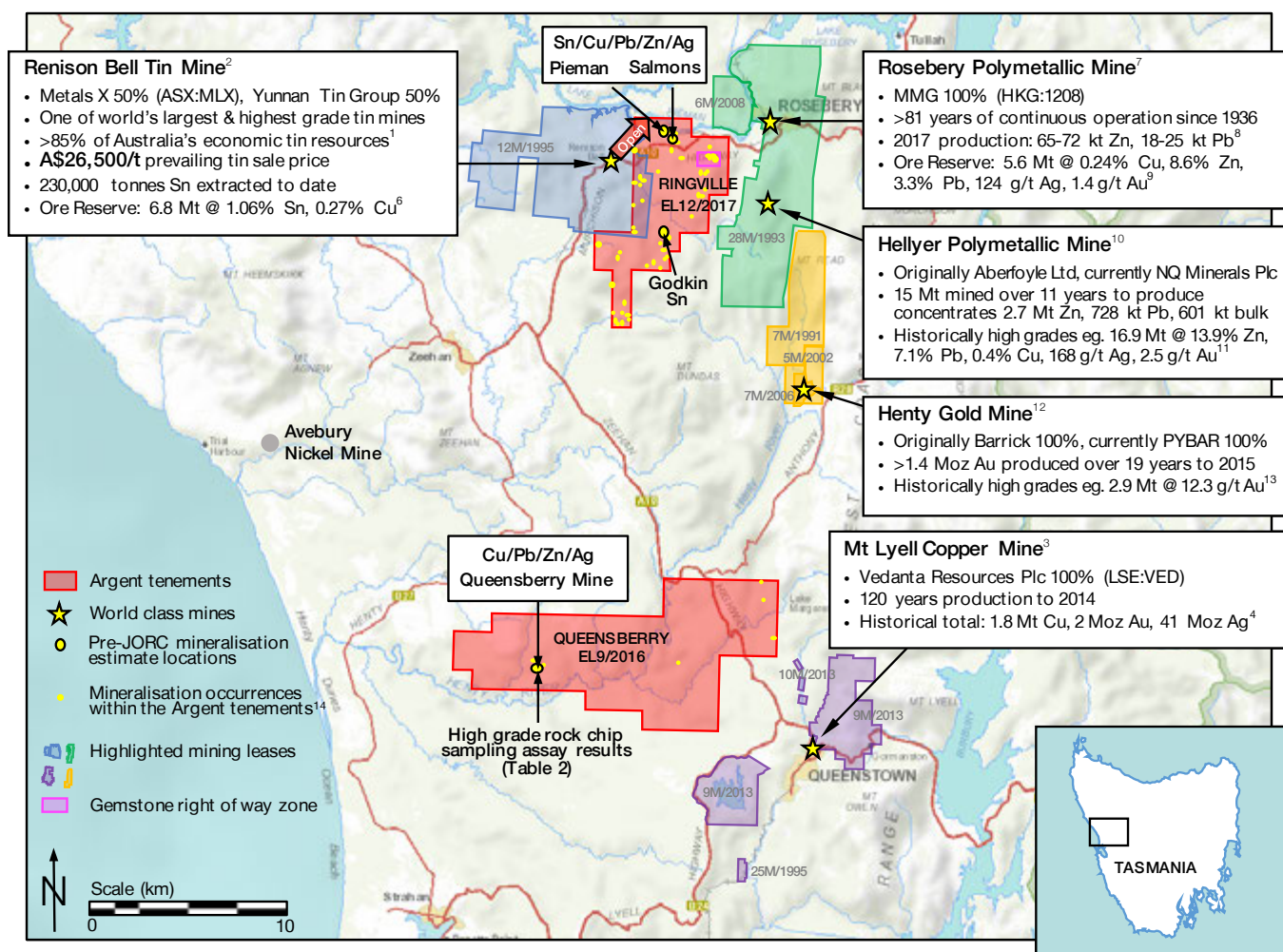


Figure 3 – Illustrating the strategic positions of Argent's Mt Read Volcanics tenements.

Table 2 – Pre-JORC Code historical mineralisation estimates.

Pre-JORC Code Historical Mineralisation Estimates										
Deposit Name	Category	Tonnes (t)	Sn (%)	Cu (%)	Grade Au (g/t)	Pb (%)	Zn (%)	Ag (g/t)	Estimation Method	Estimate Date
Pieman	Probable	433,300	1.00	0.18	-	0.06	0.32	8	Polygonal	1985
	Possible	744,900	0.30	0.18	-	0.06	0.32	8	Polygonal	1985
	Total	1,178,200	0.60	0.18	-	0.06	0.32	8	Polygonal	1985
Salmons	Probable	830,200	0.19	0.62	-	3.17	2.24	104	Polygonal	1985
	Possible	1,016,000	0.10	0.10	-	1.25	1.37	58	Polygonal	1985
	Total	1,846,200	0.14	0.33	-	2.12	1.76	79	Polygonal	1985
Godkin	Probable	299,400	0.91	-	-	-	-	-	Polygonal	1983
Queensberry Mine	Probable	28,300	-	0.3	-	11.5	8.8	52	Polygonal	1983

The estimates are historical estimates and are not reported in accordance with the JORC Code. A competent person has not done sufficient work to classify the historical estimates as mineral resources or ore reserves in accordance with the JORC Code, and it is uncertain that following evaluation and/or further exploration work that the historical estimates will be able to be reported as mineral resources or ore reserves in accordance with the JORC Code.

For further details in relation to the Pre-JORC Code historical mineralisation estimates refer to the original announcement dated 29 January 2018.

High-grade assay results for rock chip samples collected at Queensberry

Rock chip samples collected from *in situ* and mullock heap locations at the site of the historic Queensberry Mine site indicated in Figure 3 yielded the following high-grade assay results:

Table 3 – Rock chip sampling assay results.

Sample IDs	Easting (mE)	Northing (mN)	Pb (%)	Zn (%)	Cu (%)	Ag (g/t)	Au (g/t)
ARDQ01	366479	5345117	16.55	1.76	0.62	55	0.01
ARDQ02	366512	5345104	21.50	16.05	1.02	126	0.03
ARDQ03	366422	5345049	25.20	26.30	1.23	83	0.02
ARDQ04	366421	5345057	38.70	0.17	1.60	74	0.01
ARDQ05	366405	5345039	11.30	16.15	0.27	110	0.05



Figure 4 – Photos of rock chip samples ARDQ03 (LHS) and ARDQ04 (RHS) showing massive galena and minor chalcopyrite hosted by carbonate and shale

Established mining infrastructure including nearby processing facilities and offtake potential

The Argent tenements are strategically located in areas well served with roads and railway lines for transporting mined material to processing facilities and to port for shipping to smelters.

The Ringville tenement is also located adjacent to two world class operations with processing facilities for the extraction of tin (Renison Bell) and zinc/lead/copper/silver/gold (Rosebery).

The Company notes that on page 9 of Metals X's 2017 AGM presentation, the Renison Bell project is considered to be a '*Massive system, with more to come...*', that is '*still open in all directions*', which according to the long section graphic, includes specifically toward the northeast² - approximately 3 kilometres along strike from which is the Company's Pieman tin deposit (see the red 'Open' arrow illustration in Figure 1 of this announcement).

The Company also notes that Renison Bell, as part of its potentially significant expansion of its operations, is considering extraction of tin from mineral resources with lower grades (as low as 0.44% Sn²) than the pre-JORC historical mineralisation estimate reported in this announcement for the Pieman and Godkin deposits.

Rapid kick start and strategic complement to Argent's asset portfolio

The strategically located Mount Read Volcanics belt tenements, together with the included pre-JORC Code



historical mineralisation estimates, provide a rapid kick start to Argent's entry to this highly sought after area.

Exploration licence application grants are not automatic – being granted on a merit-based assessment conducted by the Tasmanian Government. Applicants' capabilities and proposed exploration plans are assessed for each specific tenement. This was a competitive process for both the Queensberry and Ringville tenements.

Both Argent's full time Exploration Manager and Senior Exploration Geologist are VHMS experts that are well-acquainted with the Mount Read Volcanics belt, having specific direct experience in the area that includes exploration related to the Rosebery project.

The Mount Read Volcanics acquisitions further boost and complement Argent's position in the Australian base and precious metals space to take advantage of strengthening commodity prices as global growth outperforms most predictions¹⁵.

CASH POSITION \$2.5 MILLION

Argent's cash position as at 31 December 2017 was \$2,502,000, following the receipt of \$693,748 in R&D claim funds announced 14 December 2017 and the heavily oversubscribed private placement to sophisticated investors announced 20 December 2017 that raised \$1.2 million before costs.

Appendix 5B is attached to this announcement.

For further information please contact:

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¹ Source: Australian Government Geoscience Australia, http://www.australianminesatlas.gov.au/education/fact_sheets/tin.html.

² Source: ASX, Metals X Limited AGM Presentation 22 November 2017.

³ Source: Vedanta Plc, Copper Mines of Tasmania Pty Ltd website cmt.com.au, About Us/Overview.

⁴ Source: Vedanta Plc, CMT Submission to DFAT re Australia - India FTA - 2011-07-18.

⁵ Source: Tasmanian Government, Director of Mines Preliminary Report on Queensberry Western District, 30 June 1927.

⁶ 0.8% Sn cutoff grade.

⁷ Source: MMG Ltd website, 2016 Rosebery Fact Sheet.

⁸ Source: MMG Ltd website, 2016 Annual Results Presentation 8 March 2017, 2017 production guidance.

⁹ Source: MMG Ltd website, 2016 Annual Report, Mineral Resources and Ore Reserves Statement (A\$166/t NSR cutoff grade).

¹⁰ Source: <http://mininglink.com.au/site/hellyer>

¹¹ Source: Gemmell, JB and Fulton, R (2001) Geology, Genesis, and Exploration Implications of the Footwall and Hanging-Wall Alteration Associated with the Hellyer Volcanic-Hosted Massive Sulfide Deposit, Tasmania, Australia. *Economic Geology*, 96 (5). pp. 1003-1035. ISSN 0361-0128. Mineral Resource estimate quoted (cutoff grade not stated).

¹² Source: Tasmanian Government, The mining and mineral processing industry in Tasmania, A guide for investors August 2016.

¹³ Source: Corbett, K.D, Quilty, P.G., & Calver, C.R., editors, 2014. Geological Evolution of Tasmania. Geological Society of Australia Special Publication 24, Geological Society of Australia (Tasmania Division): Mineral Resource as at 30/6/2009 (cutoff grade not stated).

¹⁴ Source: Tasmanian Government, Mineral Resources Tasmania (MRT) database.

¹⁵ Source: Goldman Sachs Research, 2018 Global economic outlook *As Good As It Gets*, 15 November 2017.

APPENDIX A

The following mining tenement information is provided pursuant to Listing Rule 5.3.3:

Table 1 – Mining Tenement¹ Interest Activities for the Quarter Ended 31 December 2017

Tenement Identifier	Location	Interest Acquired During Quarter	Interest Divested During Quarter	Interest Held at End of Quarter
Kempfield				
EL5645 (1992)	NSW	-	-	100% ²
EL5748 (1992)	NSW	-	-	100% ²
EL7134 (1992)	NSW	-	-	100% ²
EL7785 (1992)	NSW	-	-	100% ²
EL7968 (1992)	NSW	-	-	100% ²
EL8213 (1992)	NSW	-	-	100% ²
PLL517 (1924)	NSW	-	-	100% ²
PLL519 (1924)	NSW	-	-	100% ²
PLL727 (1924)	NSW	-	-	100% ²
PLL728 (1924)	NSW	-	-	100% ²
West Wyalong				
EL8430 (1992)	NSW	0.42%	-	77.57% ³
Loch Lilly				
EL8199	NSW	-	-	0% ⁴
EL8200	NSW	-	-	0% ⁴
EL8515	NSW	-	-	0% ⁴
EL8516	NSW	-	-	0% ⁴
Queensberry				
EL9/2016	TAS	-	-	100%
Sunny Corner				
EL5964 (1992)	NSW	-	-	70% ⁵

Notes

1. The definition of "Mining Tenement" in ASX Listing Rule 19.12 is "Any right to explore or extract minerals in a given place".
2. For all Kempfield tenements the tenement holder is Argent (Kempfield) Pty Ltd, a wholly owned subsidiary of Argent.
3. Under the West Wyalong Joint Venture and Farmin Agreement dated 8 June 2007 between Golden Cross Operations Pty Ltd and Argent as tenement holder (WWJVA), Argent has earned a 70% interest. The ongoing interests of the parties includes WWJVA expenditure contribution and dilution provisions commencing on a 70/30 basis.
4. The tenement holder for EL8199 and EL8200 is San Antonio Exploration Pty Ltd (SAE), and for EL8515 and EL8516 it is Loch Lilly Pty Ltd (LLP), a 100% owned subsidiary of Argent Minerals Limited. Under the Loch Lilly Farmin and Joint Venture Agreement (JVA) dated 12 February 2017 (effective date 17 February 2017), the respective ownership of all the tenements by the JVA Parties (SAE and LLP) is according to their respective JVA Interests. LLP has the right to earn up to a 90% interest, with the first 51% interest to be earned by completing the drill test for the Eaglehawk and Netley targets. For further details on Farmin terms and conditions see ASX announcement 20 February 2017 – Argent secures strategic stake in Mt. Read equivalent belt.
5. The tenement holder is Golden Cross Operations Pty Ltd.

APPENDIX B – KEMPFIELD MINERAL RESOURCE

Kempfield resource

The existing Kempfield mineral resource by category (prior to the planned update) is summarised in the following table:

Table 1 - Kempfield existing Mineral Resource summary

		Silver (Ag)		Gold (Au)		Zinc (Zn)		Lead (Pb)		In-situ Contained Ag Equivalent ²	
	Resource Tonnes (Mt)	Grade (g/t)	Contained Metal (Moz)	Grade (g/t)	Contained Metal (000 oz)	Grade (%)	Contained Metal (000 t)	Grade (%)	Contained Metal (000 t)	Grade (Ag Eq g/t)	Contained Ag Eq (Moz)
Oxide/Transitional*	6.0	55	10.7	0.11	21	N/A	N/A	N/A	N/A	-	11.7
Primary**	15.8	44	22.3	0.13	66	1.3	200	0.62	200	-	40.5
Total***	21.8	47	33.0	0.12	86	N/A	200	N/A	97	75	52

Table 2 - Resource by Category

		Grade (g/t)		Grade (%)		In-situ Grade (Contained Ag Eq g/t)
Category	Resource Tonnes (Mt)	Silver (Ag)	Gold (Au)	Zinc (Zn)	Lead (Pb)	Silver Equivalent (Ag Eq ¹)
Oxide/Transitional						
Measured	2.7	68	0.11	-	-	73
Indicated	2.7	47	0.11	-	-	52
Inferred	0.6	39	0.08	-	-	43
Total Oxide/Transitional	6.0	55	0.11	-	-	60
Primary						
Measured	4.1	57	0.12	1.2%	0.66%	93
Indicated	8.4	41	0.13	1.2%	0.58%	76
Inferred	3.2	35	0.13	1.4%	0.66%	74
Total Primary	15.8	44	0.13	1.3%	0.62%	80
Total Resource	21.8	47	0.12	N/A	N/A	75

Notes:

* The asterisks in Table 1 correspond to *90% **79% ***82%: as % of resource tonnes in Measured or Indicated category.

1. The cutoff grades for the Mineral Resource estimate in Table 1 are 25 g/t Ag for Oxide/Transitional and 50 g/t Ag Eq for Primary.

2. Ag Eq for Table 1 and Table 2 is based on US\$30/oz Ag, US\$1,500/oz Au, US\$2,200/t Pb and Zn, recoverable and payable @ 80% of head grade for Ag and Au and 55% for Pb and Zn.

3. The company confirms that it is not aware of any new information or data that materially affects the information provided above, the company confirms that all material assumptions and technical parameters underpinning the Mineral Resource estimate continue to apply and have not materially changed. For full details please refer to the original Mineral Resources and Ore Reserves Statement announced on 6 May 2014.

COMPETENT PERSON STATEMENTS

Previously Released Information

This ASX announcement contains information extracted from the following reports which are available for viewing on the Company's website <http://www.argentminerals.com.au>:

- 6 May 2014 Kempfield Mineral Resource upgraded to JORC 2012 standard¹
- 30 June 2017 Annual report to shareholders – Mineral Resources and Ore Reserves Statement¹
- 8 November 2017 Kempfield Exploration Target²
- 9 November 2017 Excellent Kempfield Metallurgical Test Results³
- 10 November 2017 AGM Presentation to investors
- 14 December 2017 \$693,748 Funds Received – Research and Development Claim
- 20 December 2017 Argent Cash \$2.5 M Following Completion of Private Placement
- 29 January 2018 Acquisitions in world class Mt Read Volcanics belt Tasmania⁴

Competent Person:

1. Arnold van der Heyden
2. Clifton Todd McGilvray (Exploration Results) and Arnold van der Heyden (Exploration Target estimate)
3. Roland Nice
4. Clifton Todd McGilvray

The Company confirms it is not aware of any new information or data that materially affects the information included in the original market announcements, and, in the case of estimates of Mineral Resources or Ore Reserves or historical mineralisation estimates, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements 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.

The Company also confirms that it is not in possession of any new information or data relating to the historical mineralisation estimates that materially impacts on the reliability of the estimates or the Company's ability to verify the historical mineralisation estimates as mineral resources or ore reserves in accordance with Appendix 5A (JORC Code 2012).

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

ARGENT MINERALS LIMITED

ABN

89 124 780 276

Quarter ended ("current quarter")

31 December 2017

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities			
1.1 Receipts from customers			
1.2 Payments for			
(a) exploration & evaluation	(543)	(973)	
(b) development	-	-	
(c) production	-	-	
(d) staff costs	(18)	(42)	
(e) administration and corporate costs	(236)	(472)	
1.3 Dividends received (see note 3)	-	-	
1.4 Interest received	5	10	
1.5 Interest and other costs of finance paid	-	-	
1.6 Income taxes paid	-	-	
1.7 Research and development refund	693	693	
1.8 Other – NSW co-operative drilling grant	142	142	
1.9 Net cash from / (used in) operating activities	43	(642)	
2. Cash flows from investing activities			
2.1 Payments to acquire:			
(a) property, plant and equipment	(11)	(14)	
(b) tenements (see item 10)	-	(7)	
(c) investments	-	-	
(d) other non-current assets	-	-	

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 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 – Security deposits	22	19
2.6	Net cash from / (used in) investing activities	11	(2)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	1,200	1,200
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	(84)	(84)
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	1,116	1,116

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,332	2,030
4.2	Net cash from / (used in) operating activities (item 1.9 above)	43	(642)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	11	(2)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,116	1,116
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,502	2,502

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	216	149
5.2 Call deposits	2,286	1,183
5.3 Bank overdrafts	-	-
5.4 Other – Advance monies received from Placement.	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,502	1,332

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
113
-

N/A

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
26
-

N/A

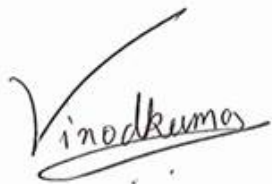
8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description 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.		
N/A		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	600
9.2 Development	-
9.3 Production	-
9.4 Staff costs	24
9.5 Administration and corporate costs	230
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	854

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	Nil			
10.2 Interests in mining tenements and petroleum tenements acquired or increased	<u>West Wyalong</u> WW8430	Exploration	77.15%	77.57%

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: 31 January 2018.

Print name: Vinod Manikandan

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.