

10/01/2018

ASX Limited
Company Announcements Office
SYDNEY NSW 2000

QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDING DECEMBER 31TH 2017

HIGHLIGHTS

- *Exploration drilling and mapping/sampling program is planned for tenement E28/2571 (within 3km of the Kurnalpi townsite)*
- *Further analysis of historical data has identified several areas of geological and structural interest on the tenement.*
- *Historical records of geochemical sampling in this tenement area showed at least 4 gold anomalies exceeding 10ppb Au in soils.*
- *These anomalies are the focus of a proposed RAB drilling and exploration program.*
- *Up to 40 RAB drill holes are planned, along with mapping and surface sampling to investigate further the controls on mineralization on the tenement.*
- *A Programme of Work for the proposed drill program will be submitted to the WA Department of Mines Industry Regulation & Safety*

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 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.

There are several shear and fault structures through the mafics and along the mafic/ultramafic boundaries on this tenement. These are all potential pathways for hydrothermal fluids and would be an ideal structural setting for gold mineralisation. Further analysis and interpretation of geological and geophysical data as well as an understanding of historical soil sampling has indicated that there are significant anomalies worth exploring.

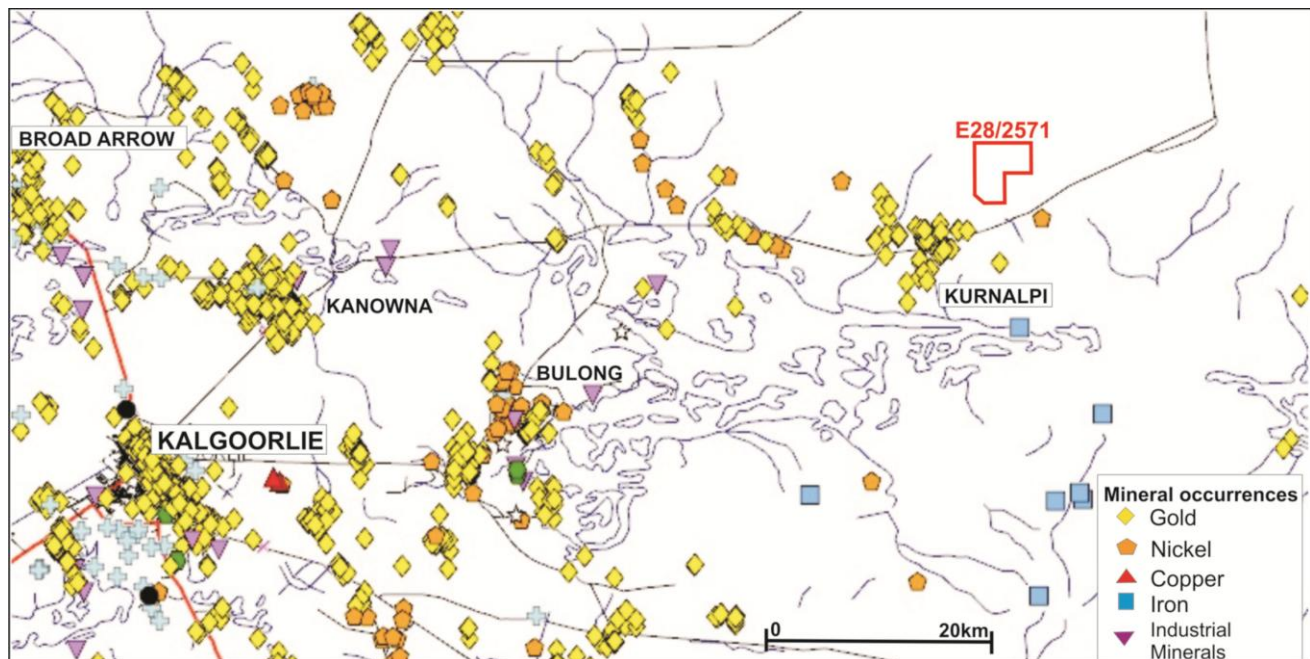


Figure 1: Location of Kurnalpi tenement E28/2571

A review of the interpretations and exploration targets has been undertaken for this tenement. There are several linear and spot anomalies worthy of follow up. Previous data from the WAMEX report number A098422 by Kalnorth Gold Mines Ltd (Combined Annual Report C101/2011 for Kurnalpi ending April 13 2013) shows that a regional auger soil geochemistry program was conducted over this tenement. Although these were shallow surface samples only (less than 3m deep) and widely spaced (400m x 400m) the gold values do indicate low order anomalies and areas of interest. When plotted, the results show that some significant areas of above 5ppb Au can be contoured. Some of these geochemical anomalies correlate with our previously interpreted structural targets and therefore confirm their status as exploration targets. The parts per billion gold values have been contoured and at least 4 anomalies have been identified for follow-up exploration. See Figure 2 below.

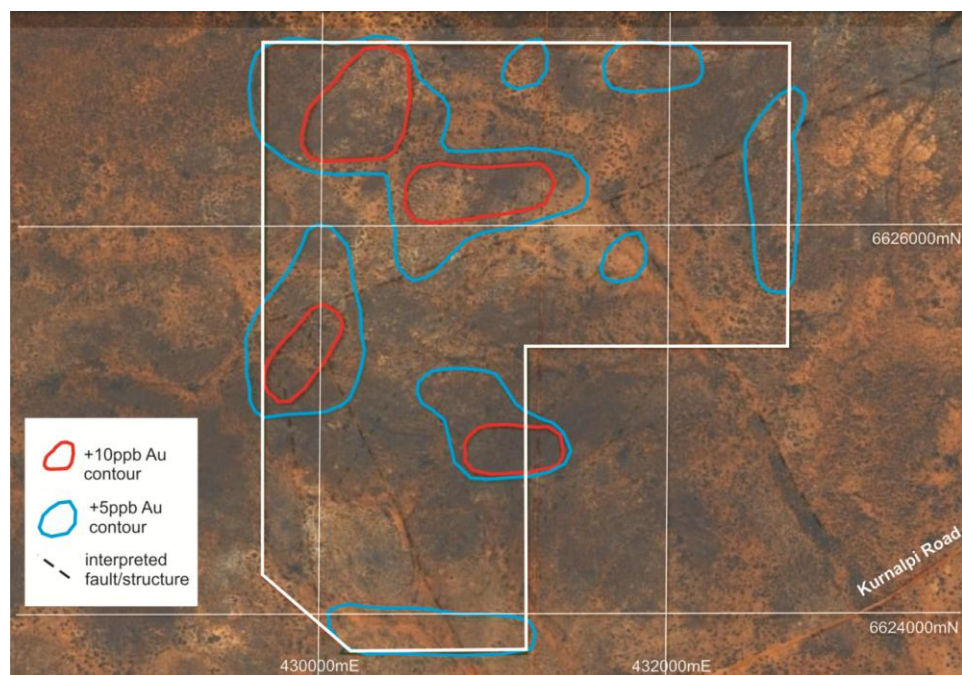


Figure 2: Soil anomalies plotted on satellite image of E28/2571

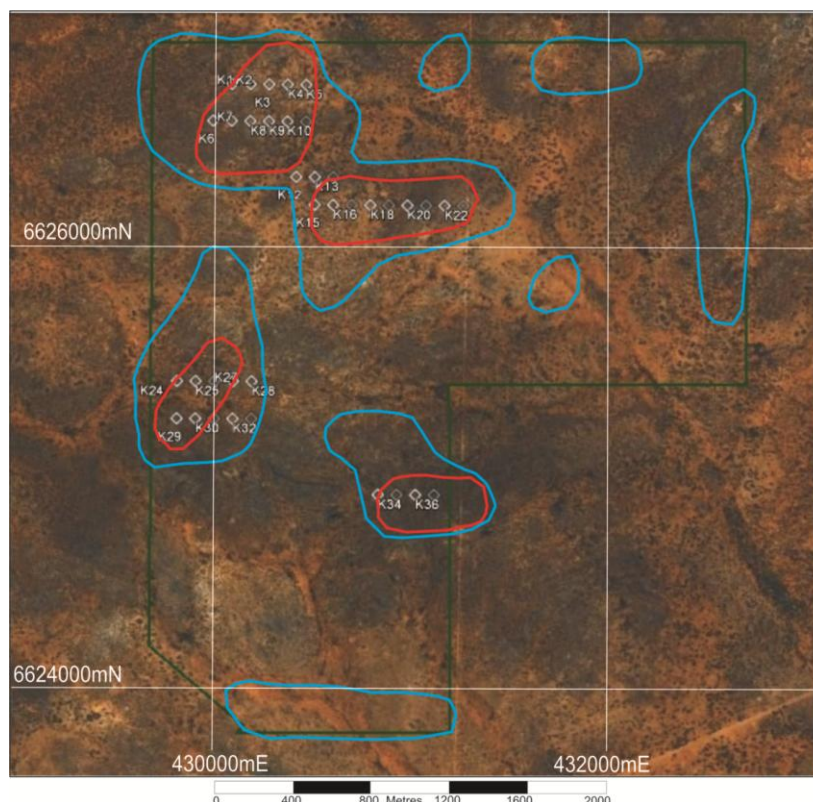


Figure 3: Proposed drill collars with respect to identified soil anomalies (as shown in Figure 2)

Exploration efforts will be concentrated on the soil anomalies and in particular, where these coincide with previously identified structure-based exploration targets. It is proposed that a Programme of Works application be submitted to the WA Department of Mines Industry Regulation & Safety and a limited Heritage Survey be conducted to cover the areas to be drilled.

It is therefore proposed to conduct several traverses of RAB drill holes to be completed in conjunction with geological mapping and outcrop sampling. These traverses are designed to cross the interpreted anomalies as well as rock unit and structural boundaries. See Figure 3 for proposed locations of RAB drill collars. A table of proposed RAB drill collars is added to this report as Appendix 1.

Tenement Information as Required by Listing Rule 5.3.3 For the Quarter Ended 31 December 2017					
Project	Location	Tenements	Economic Interest	Notes	Change in Quarter %
Western Australia	Kurnalpi	EL28/2571	100% Granted		0

Mick Stroud
Executive Chairman
10/01/2018

Competent Person Statement – Exploration Results

The information in this statement that relates to Exploration Results is based on information compiled by independent consulting geologist Brian Davis who is a Member of The Australian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Davis is employed by Geologica Pty Ltd and has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which is undertaken to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Mr Davis consents to the inclusion in the report of the matters based on the information made available to him, in the form and context in which it appears".

Proposed Drill Collars

Note: Hole location, azimuth and depth may be altered after verification and site mapping

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 2017

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	8	175
1.2	Payments for (a) exploration & evaluation	(1)	(3)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(7)	(72)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	-
1.5	Interest and other costs of finance paid	-	(23)
1.6	Income taxes paid	-	(200)
1.7	Other (provide details if material)	-	-
	Net Operating Cash Flows	-	(123)
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	-	1064
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	(89)	(262)
1.12	Other (provide details if material)	-	-
	Net investing cash flows	(89)	802
1.13	Total operating and investing cash flows (carried forward)	(89)	679

1.13	Total operating and investing cash flows (brought forward)	(89)	679
	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	-	(648)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	-	(648)
	Net increase (decrease) in cash held	(89)	31
1.20	Cash at beginning of quarter/year to date	89	(31)
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	0	0

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 (\$173,000) represent loan funds advanced to and loan funds repaid from associated companies.	

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	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	o
4.2 Development	o
4.3 Production	o
4.4 Administration	o
Total	o

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	o	89
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	o	89

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			
	(description)			
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			
	(description)			

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: 10/1/2018

(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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