

ASX Announcement

Updated Use of Funds

The Company intends to apply the funds of \$4.445 million raised from the Offer, together with existing cash reserves, over the next two years following re-admission of the Company to the Official List of ASX for the purpose of the following planned activities (which amounts are estimates based on current intentions as at the date of the Prospectus) :

ACTUAL SUBSCRIPTION - \$4,445,000	\$000
Category of planned expenditure	
Working capital (as discussed below)	1,245
Maintaining and developing its tenements (as set out below)	
2018 – success based	1,150
2019 – success based	1,050
Exploring the potential to acquire interests in additional tenements (services of external consultants and legal advisers predominantly)	250
Seeking to be a catalyst to promote economic infrastructure solutions for the Mid West Region (as discussed below).	750
Total	4,445

Working capital

The Company will use funds for working capital purposes, including towards the cost of Board members (\$150k p.a.), the Executive Chairman (\$350k p.a.), the costs of operating an office in Shanghai, China and an office and warehouse storage facility in Australia. The Company will also clear residual debts to the Office of State Revenue (\$175k). Working capital requirements will also include consultant, legal, regulator, website, accounting and audit, company secretarial and other costs.

Tenement maintenance and development

The Company intends to adopt the proposed exploration program and budget set out in Section 3 of the Independent Technical Assessment Report prepared by CSA Global (refer Re-placement Prospectus lodged on 25 January 2018), as summarised below:

Proposed Exploration Program and Budget*				
Activity	2018 Budget AUD\$		2019 Budget AUD\$	
	Minimum	Success Based	Minimum	Success Based
Tenement Costs (rents, rates)	\$110,000	\$110,000	\$100,000	\$120,000
Geological Personnel	\$100,000	\$200,000	\$120,000	\$150,000
Travel and Accommodation	\$20,000	\$30,000	\$20,000	\$30,000
Field Camp	\$15,000	\$30,000	\$20,000	\$30,000
Consumables and Freight	\$15,000	\$30,000	\$20,000	\$30,000
Geophysics	\$30,000	\$50,000	\$ 10,000	\$10,000
Surface Geochemistry	\$30,000	\$30,000	\$-	\$-
Drilling (inc heritage)	\$380,000	\$500,000	\$400,000	\$500,000
Drilling Assays	\$80,000	\$130,000	\$100,000	\$130,000
Metallurgy	\$20,000	\$40,000	\$30,000	\$50,000
TOTAL	\$800,000	\$1,150,000	\$820,000	\$1,050,000

Seeking to be a catalyst to promote economic infrastructure solutions for the Mid West

The Company has allocated \$750,000 in funds to be used for this purpose. The Company's present intentions are that these funds will be used to undertake the following activities, with the amounts allocated to particular activities varying upon the success and timeframe associated with each:

- Costs of staff and consultants,
- Legal fees (drafting heads of agreements and other documents, participating in negotiations),
- Engagement with potential Chinese partners (both with existing interests in the Mid West and with interests in providing construction or other services), including a visit to China for the new Board and key advisers,
- Creation of an alliance of key Mid West stakeholders (leveraging of the past work of the Geraldton Iron Ore Alliance and the Magnetite Network),
- Indigenous engagement, and
- Community initiatives in the Mid West.

Further inquiries:

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