

**30 April 2020**

Company Announcement Officer  
ASX Limited  
Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000

**ACTIVITIES REPORT FOR THE QUARTER ENDED  
31 March 2020**

**HIGHLIGHTS**

**Bowdens Silver Project**

- **Environmental Impact Statement (EIS) in the final stages before submission for Development Consent.**
- **Diamond drill campaign of up to 4000 metres commenced at the Bowdens Silver Project.**
- **Recent gravity data acquired from Bowdens Silver Project provided substantial targets for intrusive sources in immediate proximity to the existing resource.**
- **Drill results received for the first deep hole located 400m west of the main Bowdens Silver Project.**
- **The Bowdens mineral system confirmed to be extensive at depth while remaining open to the west.**
- **Deep drill program is continuing.**
- **Selected as a preferred applicant under the NSW New Frontiers Cooperative Drilling Initiative and is to receive up to \$200,000 for the current drilling program.**

**Barabolar Project**

- **Desktop and data integration studies generating drill targets continues.**

**Tuena Gold Project**

- **Review of soil geochemistry and detailed airborne geophysics continues generating several target areas for initial drilling.**

### **Silver Mines' COVID-19 Response**

During the March 2020 quarter, Silver Mines Limited (ASX:SVL) (“Silver Mines” or “the Company”) carried out measures in response to the impact of the COVID-19 pandemic. The Company’s priorities are to protect the health and safety of our staff, contractors and local communities, while maintaining the integrity of our business.

The Company adheres to directives from Federal and State Government and has put in place comprehensive Covid-19 Policies and Procedures. This has allowed our current Environmental Impact Statement and exploration operations to continue safely and with minimal interruption.

Field activities including drilling within the Bowdens Silver area, where the Company owns all the properties and can control access, have continued. Planned near-term field activities at the regional Barabolar and Tuena projects have been placed on hold. These positions will be constantly reviewed.

Notwithstanding that the Company is well capitalised in order to navigate through this period of uncertainty, measured reductions in operating costs have been implemented.

Although there have been significant impacts on capital markets and commodity prices due to the pandemic, it is the Company’s view that the medium to long term market fundamentals for silver and other commodities are strong.

The Company is well positioned to react should COVID-19 pandemic circumstances change.

### **Bowdens Silver Project**

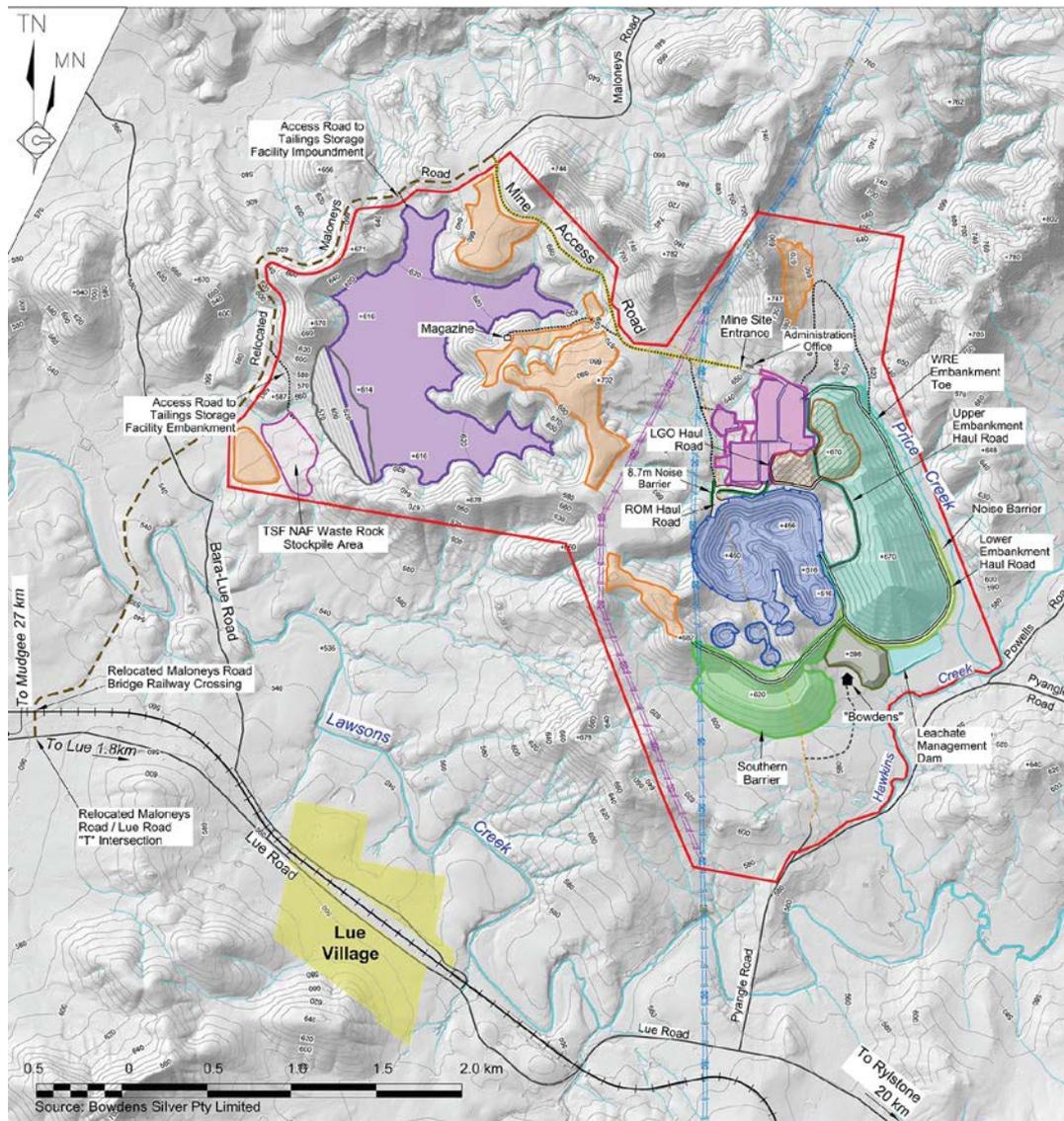
During the March 2020 quarter, Silver Mines continued with the finalisation of the Environmental Impact Statement (“EIS”) for the proposed development of the Bowdens Silver Project located approximately 26 kilometres east of Mudgee in the Central Tablelands Region of New South Wales.

The Bowdens Silver Project is the largest undeveloped silver deposit in Australia and lies within Exploration Licence 5920 which is 100% held by the Company (refer to Figure 6).

Bowdens Silver comprises an open-cut mine feeding a new processing plant comprising a conventional milling circuit and differential flotation to produce two concentrates that will be sold for smelting off site. Plant capacity is designed for 2.0 million tonnes per annum with a project life of 17 years. Life of mine production is planned to be approximately 53 million ounces of silver, 116,000 tonnes of zinc and 83,000 tonnes of lead.

The Company is in the final stages of completing the EIS and expects to lodge with the NSW Department of Planning and Environment shortly. A Mining Lease application and a Development Application (DA) will be lodged in conjunction with the EIS.

The Company has reported results from preliminary key components of the EIS with positive outcomes (Refer to ASX release of 21<sup>st</sup> June 2019).



REFERENCE	Proposed Component
<span style="color: red;">—</span> Mine Site Boundary	<span style="color: purple;">—</span> Re-aligned Power Line (500kV) / Tower
<span style="color: grey;">—</span> Contour (m AHD) (Interval = 10m)	<span style="color: brown;">—</span> Relocated Maloneys Road
<span style="color: black;">•</span> Spot Height (mAHD)	<span style="color: orange;">—</span> Mine Access Road
<span style="color: blue;">—</span> Existing Watercourse / Drainage Line	<span style="color: black;">—</span> Internal Road
<span style="color: black;">—</span> Road	<span style="color: black;">—</span> Haul Road / Indicative Haul Road
<span style="color: black;">—</span> Closed Railway Line	<span style="color: blue;">—</span> Open Cut Pit
<span style="color: blue;">—</span> Existing Power Line (500kV) / Tower	<span style="color: purple;">—</span> Tailings Storage Facility
<span style="color: orange;">—</span> Maloneys Road (Section to be closed)	<span style="color: pink;">—</span> Processing Plant/ROM Pad/Mining Facility Area
	<span style="color: orange;">—</span> Soil Stockpile Area
	<span style="color: orange;">—</span> Low-grade Ore Stockpile Area
	<span style="color: pink;">—</span> TSF NAF Waste Rock Stockpile Area
	<span style="color: green;">—</span> Southern Barrier
	<span style="color: green;">—</span> Waste Rock Emplacement
	<span style="color: green;">—</span> Oxide Ore Stockpile
	<span style="color: green;">—</span> Lower Embankment Noise Barrier
	<span style="color: green;">—</span> Noise Barrier

Note:  
 LGO = Low-grade Ore  
 NAF = Non-acid Forming  
 ROM = Run of Mine  
 TSF = Tailings Storage Facility  
 WRE = Waste Rock Emplacement

Figure 1. Bowdens Silver Preliminary Mine Site Layout.

## **Government and Community Engagement**

Silver Mines continues an extensive program of consultation with relevant Government departments, local communities, and other interested stakeholders. The program examines the potential impacts and benefits of exploration and development across the substantial Bowdens Silver tenement portfolio. Consultation processes focus on the current potential mine development area and the wider area where the Company is commencing or undertaking exploration programs. Current public programs are minimised due to the COVID-19 pandemic.

## **Bowdens Project Exploration**

During the Match 2020 quarter, Silver Mines announced the commencement of a new diamond drilling campaign at the Bowdens Silver Project targeting analogues to Bowdens and potential intrusive sources of the Bowdens deposit.

The Company received final environmental approvals for the recommencement of exploration drilling activities at Bowdens with the program commenced on 29<sup>th</sup> January 2020. Local Orange-based drill service provider, Ophir Drilling, is contracted to complete six holes and up to 4000 metres of diamond core drilling.

The targets to be tested by drilling program include both low and high gravity responses. The low responses are interpreted to be intrusive (porphyry or intrusion-related gold [IRG] targets), while the high responses are interpreted to be potential analogues to the main Bowdens silver and base metal systems (refer to Figure 2). Interpretation of the gravity model suggests that the Rylstone Volcanics have formed above a crustal scale traverse fault zone. This crustal scale fault system is associated with the voluminous Rylstone Volcanics units extruded from a central caldera or series of volcanic vents. The extensive gravity lows within this traverse zone are possible felsic intrusives with the potential to be a source to the mineralisation at the Bowdens Silver Deposit.

Recent studies, including research and development by the Company and the University of New South Wales, identified three intrusive phases. These are spatially related to mineralisation and dating of the intrusions show close association with the previously established age of the Bowdens mineralisation. Interpretation, including geology, age dating and sulphur isotope analysis suggests that the intrusive source to mineralisation is located at depth and to the northwest and/or west of the current Bowdens Silver Deposit.

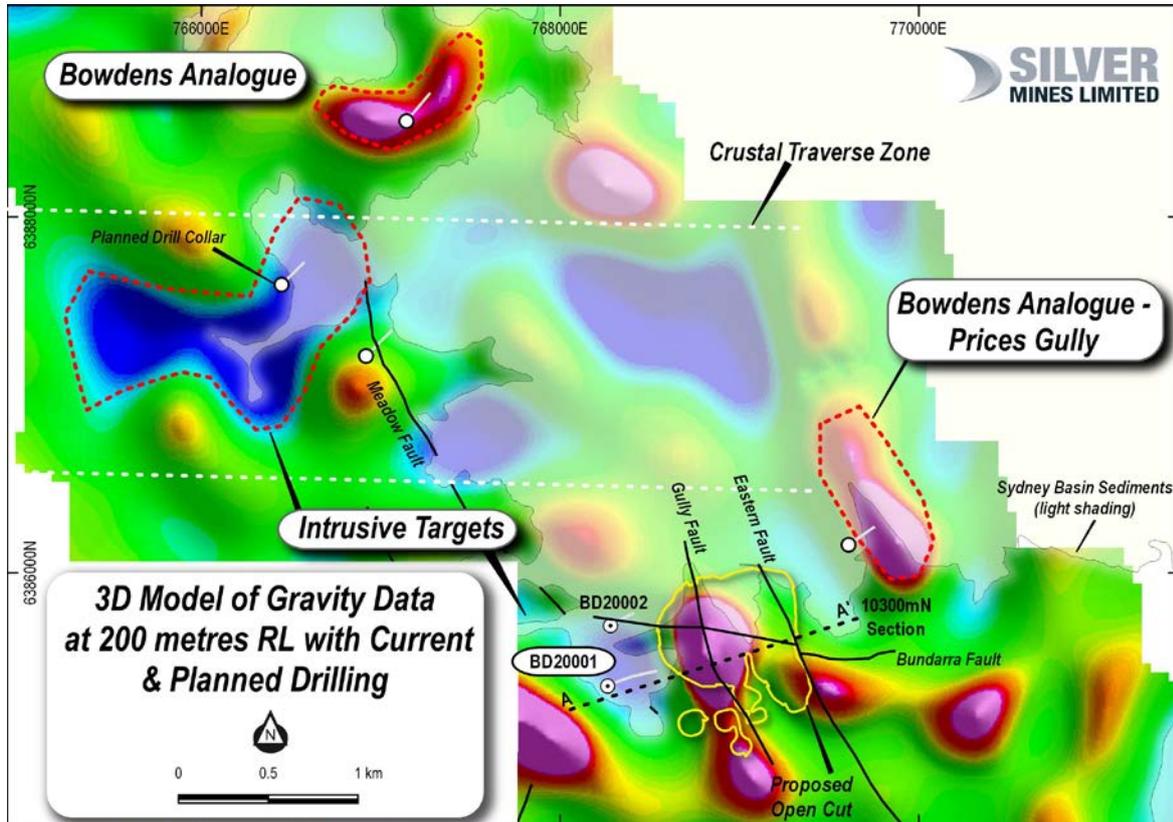


Figure 2. Map view of gravity model showing location of current drilling.

### Drill hole BD20001

Assay results for hole BD20001 were received subsequent to the end of the quarter. The hole intersected widespread sphalerite (zinc iron sulphide), galena (lead sulphide) and silver mineralisation, including zones with appreciable gold mineralisation. Mineralisation was intersected in the sedimentary Coomber Formation, which underlies the Rylstone Volcanics—the main host to Bowdens Silver Project. This drill hole represents a significant step-out from the Bowdens Silver project Mineral Resource.

The pervasive zinc mineralisation is mainly hosted in the hanging and footwall shale and siltstone horizons of the Gully Fault, which is considered as the main conduit for mineralisation from an inferred intrusive source. The mineralisation surrounding the Gully Fault includes gold grades up to 3.09g/t over one metre and extends mineralisation some 400 metres from the Bundarra Zone beneath the main Bowdens Silver Deposit. The intersection of the broader Bowdens system at such a large step out is considered highly encouraging and validates existing structural models.



Figure 3. Semi massive sphalerite-pyrite veins and stringers overprinting quartz within silicified shale (~640m).

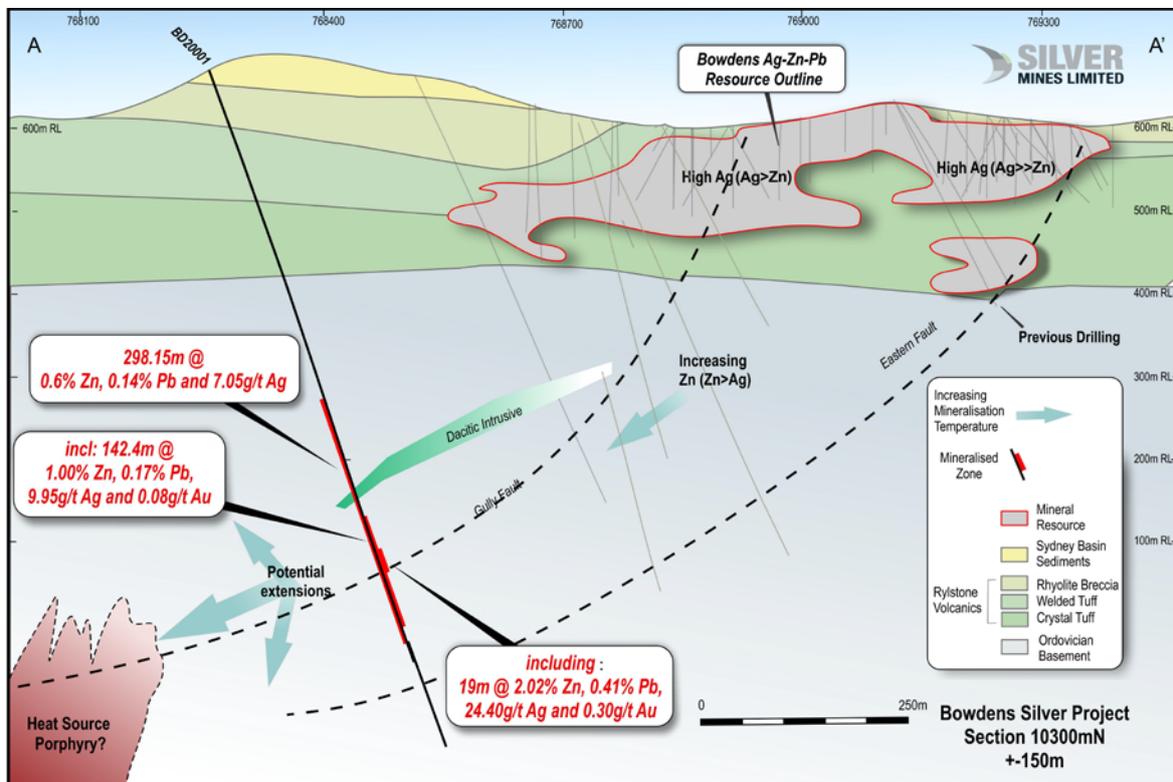


Figure 4. Cross-section of BD20001, view north-northwest.

BD20001 was initially designed to test a distinct gravity low adjacent to the Bowdens Silver deposit, and while narrow porphyritic dykes were intersected, the gravity low appears to be a result of contrasting depths of metal enrichment within the Rylstone Volcanics and Coomber Formation.

When compared to drilling beneath the Bowdens deposit, BD20001 displays a greater intensity of silica alteration, pervasive iron rich sphalerite mineralisation and accessory silver with galena. In addition, appreciable gold mineralisation is hosted in steeply dipping veins. These combined observations indicate that the temperature of fluids that deposited the metals increases to the west. The fault-control on mineralisation in this area also provides a further

**Silver Mines Limited**

ABN: 45 107 452 942

high-grade target to the north, where the Gully Fault is projected to intersect the Bundarra Fault. As the system remains open to the north, south and west of BD20001, the Company intends to continue to step out to explore for an intrusive source and structurally controlled high-grade base and precious metal mineralisation (refer to release dated 8 April 2020 for further information).



*Figure 5. Left Image - sphalerite, galena and pyrite in matrix of breccia (~695m). Right image - black sphalerite in quartz vein (~699m depth)*

Table 1. Significant assays from drilling of hole BD20001.

Hole ID	From	To	Interval	Zinc (%)	Lead (%)	Silver (g/t)	Gold (g/t)
BD20001 <sup>(1)</sup>	421	719.15	298.15	0.60	0.14	7.05	0.06
including <sup>(2)</sup>	561.6	704	142.4	1.00	0.17	9.95	0.08
& including <sup>(3)</sup>	602	621	19	2.02	0.41	24.40	0.30

<sup>(1)</sup> Intercept calculated based on 0.5% combined lead zinc cut-off and 30 metres maximum internal dilution

<sup>(2)</sup> Intercept calculated based on 0.5% combined lead zinc and 5 metres maximum internal dilution.

<sup>(3)</sup> Intercept calculated based on 1.5% combined lead zinc and 4 metres maximum internal dilution.

### On-going program

The 2020 deep drilling program at Bowdens is continuing. Subsequent to the end of the quarter, a second hole, BD20002, was completed to test a 200+ metre step-out to the west of the NW high-grade zone (refer releases dated 31 July 2017 and 22 June 2018). Whilst assays are pending completion and analysis, BD20002 intersected several zones of fracture fill sulphide mineralisation at the expected target depths. Sulphides, however, are dominated by pyrite (iron sulphide) rather than base-metal sulphides. A third hole, BD20003 has been completed and tested the Bowdens Analogue/Prices Gully target area located one kilometre northeast of Bowdens. This hole was an initial test of gravity data combined with targeting from the Company's research and development programs. This hole intersected several narrow zones of intense alteration and sulphide mineralisation with assay results pending. The fourth hole, to test a target based on gravity and integrated geochemical models, will commencing shortly.

The Company is currently modelling data from BD20001 with the intention of targeting further step out drilling in the west Bowdens area. Furthermore, and subject to assay results from the visible mineralisation intersected in hole BD20003, follow up drilling at the Prices Gully target area will also be considered.

### NSW New Frontiers Cooperative Drilling Round 3 Grants

Subsequent to the end of the March 2020 quarter, the Company was advised that it had been successful in the application for funding under the NSW New Frontiers Cooperative Drilling Round 3 and will receive up to \$200,000 as reimbursement for direct drilling costs incurred during the Bowdens drill program. The application presented an integration of multiple technical data methods used by the Company to target source porphyry intrusives to the Bowdens Silver System.

The \$200,000 grant forms part of the \$2.2 million in funding grants budget announced by the NSW government in 2019.

The Bowdens Silver Regional Exploration drilling program represents greenfield exploration. The program test hypotheses generated by the Company during Research & Development work.

### About the Bowdens Silver Project

The Bowdens Silver Project is located in central New South Wales, approximately 26 kilometres east of Mudgee (See Figure 6). The consolidated project area comprises 2,007 km<sup>2</sup> (496,000 acres) of titles covering approximately 80 kilometres of strike of the highly mineralised Rylstone Volcanics and underlying sediments, intrusions and volcanics of the Macquarie Arc. Multiple target styles and mineral occurrences have potential throughout the district including analogues to Bowdens Silver, high-grade silver-lead-zinc epithermal, volcanogenic massive sulphide (VMS) systems and copper-gold targets.

Bowdens Silver is the largest undeveloped silver deposit in Australia and one of the largest globally with substantial resources and a considerable body of high quality technical work completed. The projects boast outstanding logistics for future mine development.

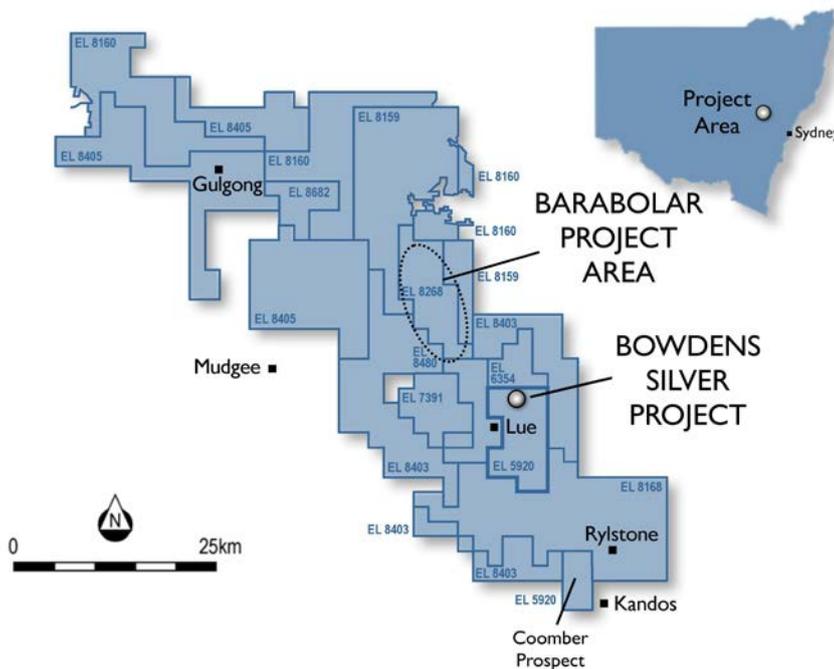


Figure 6. Silver Mines Limited tenement holdings in the Mudgee district.

## Barabolar Project

During the March 2020 quarter, the Company continued desktop activities on the Barabolar Project, which is located approximately 26 kilometres east of Mudgee in central New South Wales and 10 kilometres northwest of the Company's Bowdens Silver Project (refer Figure 6).

Previously, a regional soil sampling program was completed to the west of the Mt Laut Pyrophyllite alteration zone, and west of the Cringle Prospect. This area has had limited previous exploration and is dominated by andesitic volcanics and volcanoclastics of Ordovician age. Multiple alluvial gold occurrences are situated within drainage channels sourced from the area including the historic Pipeclay and Budgee Budgee workings. The source of this gold is postulated to be related to the hydrothermal alteration within the Project such as at the Mt Laut Pyrophyllite zone.

During the previous quarter, a broad project wide gravity survey was completed to assist in defining structure throughout the region, especially the Mt Bara Thrust Fault, and to identify buried source intrusions. Data acquired from the gravity survey has been modelled and analysed along with results from the recent regional soils program.

Due to the COVID-19 pandemic the planned drilling at Barabolar has been put on-hold so as to avoid unnecessary contact between the Company's staff and contractors when accessing third-party landholder properties. The Barabolar Project, however, remains a compelling target area with a considerable hydrothermal footprint, and the Company is continuing with desktop studies and application of R&D technologies in this area.

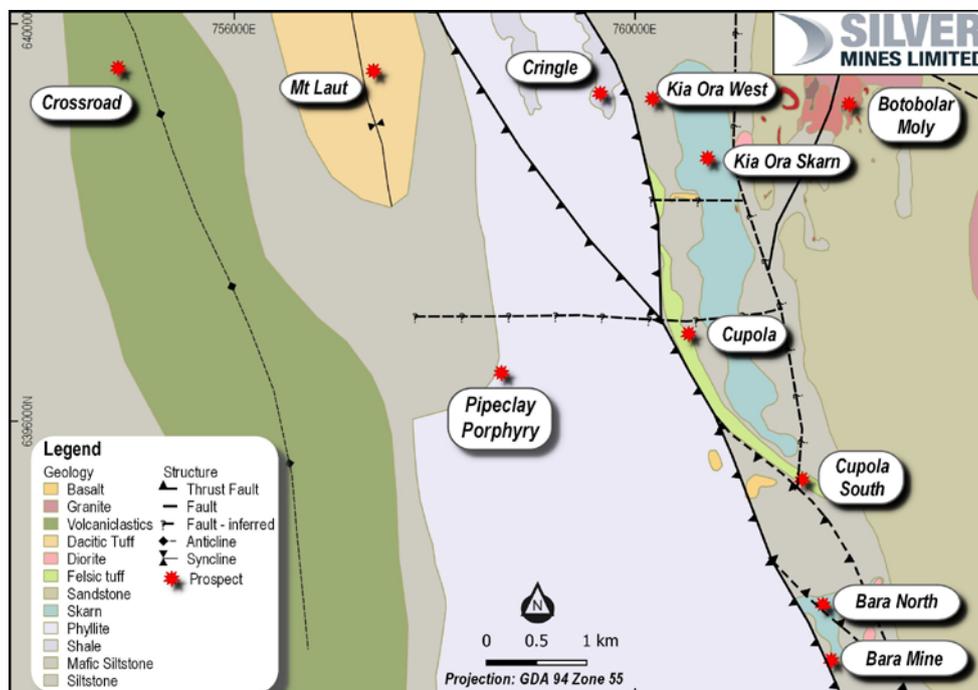


Figure 7. Barabolar Project geology with prospects

## **Tuena Gold Project**

During the March 2020 quarter, the Company continued with integration of geological reconnaissance work along with data from the Company's airborne magnetic and radiometric survey at the highly prospective Tuena Gold Project (EL8526). This project is located 80 kilometres south of the city of Orange in New South Wales. The Project is a regional exploration project that consists of a single exploration license covering approximately 175 square kilometres. In addition, the Company has lodged exploration licence applications for a further 634 square kilometres covering major geological structures and historic gold occurrences surrounding the Tuena Project.

The central part of Tuena Gold Project consists of an extensive series of historic hard-rock and alluvial gold mines which operated from the 1850's until the early 1900's. Records of production state that the Lucky Hit Mine, for example, produced at grades of 61g/t gold (NSW Government database).

Mineralisation, as indicated by historic shafts and adits, can be mapped over several kilometres of strike. The Tuena Gold Project is situated at the southern end of the highly prospective Hill End Trough within volcanic and sedimentary rocks of Silurian and early Devonian age. Mineralisation occurs within splay/horsetail structures associated with an inflection in the Copperhania/Lake George Thrust Faults. This structure is the continuation of the major Godolphin Fault, which is closely associated with mineralisation at the multi-million ounce McPhillamys gold project located 60 kilometres to the north (refer to Figure 8) and the Cullarin gold discovery (Sky Metals) located 90 kilometres to the south. At Tuena, the Company is exploring for both orogenic gold and volcanogenic massive sulphide gold+base metal systems.

A soil sampling program has indicated that gold anomalism >8ppb can be traced along several geological structures over a strike length of 5.4 kilometres within a corridor of mineralisation up to 1.5 kilometres wide. As well as extensive gold anomalism, arsenic anomalism also successfully maps the system and is an important pathfinder element. In addition to the soil sampling, Company geologists have conducted a first pass reconnaissance mapping and rock sampling program.

Several individual prospects show extensive higher-tenor gold anomalism. The Peeks Prospect, for example, shows gold in soil anomalism >25ppb, and up to 268ppb with a coincident arsenic anomaly. Mapping of historic workings at the Peeks Prospect reveals both steeply dipping quartz veins 30 to 50 cm in width as well as stacked shallowly dipping veins. A single rock sample of a shallowly dipping vein returned an assay result of 76.4g/t gold.

Following the completion of the modelling and analysis of the completed programs, the Company will plan the first round of exploration drilling on this project. The mid-2020 timing of this program is yet to be confirmed due to the COVID-19 pandemic. The Tuena Gold Project, however, is a most compelling regional gold target area with extensive mineralisation confirmed from soil and reconnaissance work. The project is located on major mineralised structures linking significant discoveries in an emergent gold district. As such, the Company is continuing its desktop data modelling and using the area as a test for its R&D technologies.

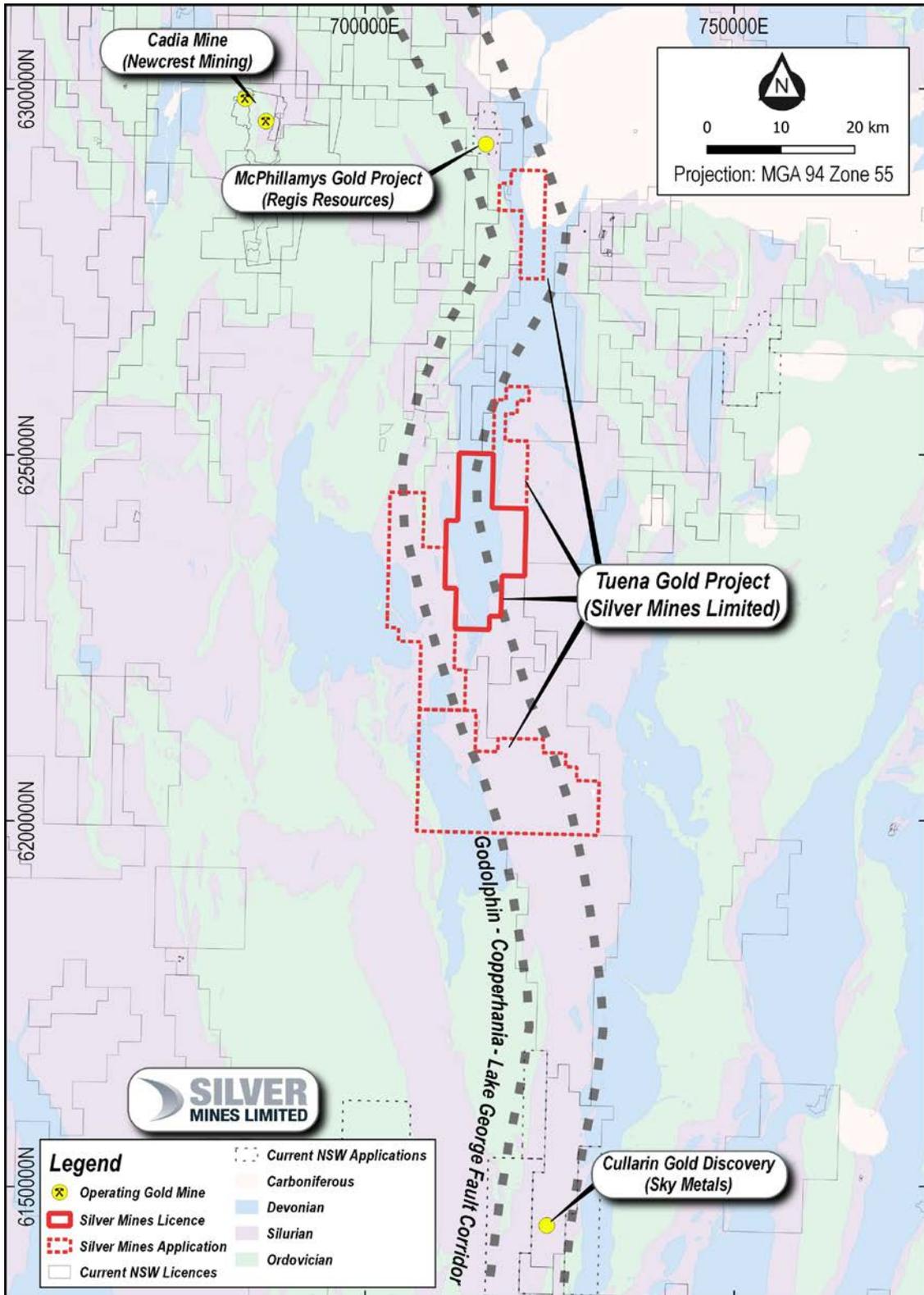


Figure 8. Tuena Project location with regional geology and major deposits.

### **Other Projects**

During the March 2020 quarter, the Company continued environmental remediation work at the Webbs and Conrad areas in New South Wales. The Company continues to assess exploration options and other options for these prospective projects.

### **Research and Development Update**

The Company has an active research and development (“R&D”) program to better map and understand the Permian volcanics and basement Palaeozoic (Ordovician and Silurian) rocks of the Company’s exploration licenses. The R&D programs are on-going and have, over the past three years, involved collaboration between Silver Mines’ researchers and researchers from the University of Technology Sydney, the University of New South Wales and Macquarie University. Several industry consultants and data collection contractors have also assisted in analysing and providing base datasets for the R&D program.

The R&D project involves developing innovative new technology and processes, which have been applied to geological studies on the Bowdens Silver Deposit and particularly the basement rocks and the search for a porphyry source. In addition, research has been applied to the Barabolar Project area and elsewhere in the Company’s portfolio. The Company has developed and continues to develop new technologies for multivariate geochemical analysis; automated mapping of geology from geochemistry data; and predictive geochemistry modelling using machine learning techniques. These R&D programs have developed further hypotheses for mineralisation in areas such as basement rocks beneath the main volcanic host at the Bowdens Silver Deposit; Bowdens northern and north-westerly extensions; and several targets in the Barabolar Corridor including the Cringle prospect area. Much of the Company’s exploration drilling is considered as a test of hypotheses and targets developed under these R&D programs.

During the March 2020 quarter, the development and testing of the machine learning predictive geochemistry technology and integration with recently acquired gravity data continued. The current drill programs at Bowdens are on targets generated under this work and based on the integration of technologies and data. The Company is now establishing programs to test its machine learning technologies on targeting outside of the Bowdens-Barabolar district to establish if such technologies have transferable applications to other geological domains. In particular, the Tuena Gold Project, with a multi-element association of gold mineralisation along with complex structure, is being used as a further test site for technologies.

## **Corporate**

### **Ochre Royalty**

During the March 2020 quarter, the Company provided an update in regards to royalties applying to its 100%-owned Bowdens Silver Project, near Mudgee in central New South Wales.

Silver Mines received notice from Ochre Group Holdings Ltd (“Ochre Group”) of a proposal to sell its historical 0.85% gross royalty over Bowdens and the wider project area to SilverStream SEZC (“SilverStream”). The proposed purchase consideration for the royalty was approximately A\$3.03 million at current USD/AUD at the time.

Under the terms of the royalty deed, Silver Mines had a Right of First Refusal (“ROFR”) over any proposed transaction concerning the royalty. Pursuant to this right, the Company has elected not to exercise its ROFR, and has provided notice to Ochre Group that it may proceed with the SilverStream transaction.

Cayman Islands-based SilverStream is a mining-focused royalty and streaming company that holds a basket of royalties covering precious, base, battery and specialty metals. Its portfolio consists of royalties and streams attached to both cash-flowing and longer-term growth oriented assets around the world. It is currently finalising its Initial Public Offering on the TSXV Exchange in Canada.

### **Secondary Royalty Purchase**

Also during the quarter, Silver Mines bought back an historical 1.0% gross royalty over the Stage 1 production (first four years) from the Bowdens Silver Project, estimated to amount to the first 20 million ounces of silver produced. The buyback also includes revenue credits from zinc and lead production.

The buyback from a private consortium was settled by way of the issue of 12,000,000 ordinary fully paid shares in the Company at an issue price of \$0.10 each, and 12,000,000 SVLOB options at an issue price of \$0.06 each, for a total consideration of approximately A\$1.9 million.

The purchase back of this secondary royalty adds to the future robust cashflows of Bowdens Silver for the Company.

### **Change in Share Registry Details**

During the March 2020 quarter, Silver Mines advised that as of Monday 3<sup>rd</sup> February 2020, the Company had changed its provider for shareholder registry services from Boardroom Pty Limited to Automic Pty Ltd (“Automic”).

The new Share registry contact details are as follows:

Automic  
Level 5, 126 Phillip Street  
Sydney NSW 2000  
GPO Box 5193  
Sydney NSW 2001

Shareholders that are not already a user of Automic's investor portal may visit <https://investor.automic.com.au> and signup to register their details. Any queries in relation to their Silver Mines Limited holding are advised to contact Automic at [hello@automic.com.au](mailto:hello@automic.com.au) or on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia).

## **Appendix 5B**

As set out in the attached Appendix 5B, exploration expenditure during the quarter totalled \$1.275 million. Payments to related parties totalling \$0.164 million consisted of remuneration paid to executive and non-executive directors and an associate of a director under respective service agreements.

### **Further information:**

Anthony McClure

Managing Director

Silver Mines Limited

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Luke Forrestal

Associate Director

M+C Partners

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### **About Silver Mines Limited**

The Silver Mines strategy has been to consolidate quality silver deposits in New South Wales and to form Australia's pre-eminent silver company.

The Company's goal is to provide exceptional returns to shareholders through the acquisition, exploration and development of quality silver projects and by maximising leverage to an accretive silver price.

### **Competent Persons Statement**

The information in this report that relates to mineral exploration from the Barabolar, Tuena and Bowdens projects is based on information compiled by the Bowdens Silver team and reviewed by Darren Holden who is an advisor to the Company. Dr Holden is a member of the Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the activity being undertaken, to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC code). Dr Holden consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

### **Previous Disclosure - 2012 JORC Code**

This report contains information extracted from previous ASX releases which are referenced in the report and which are available on the Company's website and the ASX website. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original ASX announcements.



For JORC Code, 2012 Edition – Table 1, Section 1 Sampling Techniques and Data and Section 2 Reporting of Exploration Results please refer to ASX releases of 30<sup>th</sup> January 2020 and 8<sup>th</sup> April 2020. The reports were issued in accordance with the 2012 Edition of the JORC Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

**Tenement Information as at 31 March 2020**

<b>Tenement</b>	<b>Project Name</b>	<b>Location</b>	<b>Silver Mines Ownership</b>	<b>Change in Quarter</b>
EL 5920	Bowdens Silver	NSW	100%	-
EL 6354	Bowdens Silver	NSW	100%	-
EL 8159	Bowdens Silver	NSW	100%	-
EL 8160	Bowdens Silver	NSW	100%	-
EL 8168	Bowdens Silver	NSW	100%	-
EL 8268	Bowdens Silver	NSW	100%	-
EL 7391 <sup>1</sup>	Bowdens Silver	NSW	0%	-
EL 8403	Bowdens Silver	NSW	100%	-
EL 8405	Bowdens Silver	NSW	100%	-
EL 8480	Bowdens Silver	NSW	100%	-
EL 8682	Bowdens Silver	NSW	100%	-
EL 8526	Tuena	NSW	100%	-
EL 5674	Webbs	NSW	100%	-
EPL1050	Conrad	NSW	100%	-
EL 5977	Conrad	NSW	100%	-
ML 6040	Conrad	NSW	100%	-
ML 6041	Conrad	NSW	100%	-
ML 5992	Conrad	NSW	100%	-

1. Under Joint Venture with Thomson Resources Limited. Silver Mines Limited earning 80%.

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Silver Mines Limited

ABN

45 107 452 942

Quarter ended ("current quarter")

31 March 2020

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9-months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	18	167
1.2	Payments for		
	(a) exploration & evaluation (if expensed)*		
	(b) development		
	(c) production		
	(d) staff costs	(389)	(1,231)
	(e) administration and corporate costs	(163)	(1,021)
1.3	Dividends received (see note 3)		
1.4	Interest received	4	12
1.5	Interest and other costs of finance paid	(12)	(37)
1.6	Income taxes paid		
1.7	Government grants and tax incentives		663
1.8	Other (provide details if material)		
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(542)</b>	<b>(1,447)</b>

\*The exploration expenses are capitalised as exploration assets but presented as exploration expenses in the past previous quarterly reports. These capitalised exploration expenses are now reclassified and presented under investing activities 2.1(d) below

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		(1,779)
	(d) exploration & evaluation (if capitalised)	(1,275)	(3,960)
	(e) investments		
	(f) other non-current assets		(740)

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9-months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(1,275)</b>	<b>(6,479)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		12,900
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		692
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(11)	(821)
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)		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(11)</b>	<b>12,771</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	7,307	633
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(542)	(1,447)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,275)	(6,479)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(11)	12,771

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9-months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held		
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>5,480</b>	<b>5,480</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	5,480	7,307
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>5,480</b>	<b>7,307</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	164
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Remuneration paid to executive and non-executive directors and an associate of a director under respective service agreements.

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	1,010	1,010
7.2 Credit standby arrangements		
7.3 Other (please specify)		
<b>7.4 Total financing facilities</b>	<b>1,010</b>	<b>1,010</b>

7.5 **Unused financing facilities available at quarter end** -

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Westpac Bank, secured facility with variable interest rate at 3.66%

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	(542)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(1,275)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(1,817)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	5,480
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	5,480
<b>8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	<b>3.02</b>

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

## 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.

Date: 30 April 2020 .....

Authorised by:  .....

Trent Franklin – Company Secretary

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.