QUARTERLY REPORT

FOR THE QUARTER ENDED 30 JUNE 2019

MOZAMBIQUE

HEAVY MINERAL SAND PROJECTS

- **Tax Assessment received from Mozambique Government and Mineral Rights Transfer in progress;**
- **Airborne Geophysical Survey over Corridor Central and Corridor South identifies Large Prospective Anomalies;**
- **Hand Auger Drilling over Corridor Central and Corridor South generates high grade visual estimates of THM grades corresponding to the geophysical anomalies;**
- **Import Permit received for Auger Samples to be analysed in Australia;**
- **Impressive results for Mineral Assemblage Characterisation; and**
- **Positive Government and Community Stakeholder Engagement.**

Capital Gains Tax clearance and Mineral Rights transfer progress

The Company retained MXR Serviços Jurídico-Fiscais (MXR) in Mozambique to prepare an independent professional assessment of the Capital Gains Tax associated with the acquisition of Sofala Resources in January 2019 and assist with the process of obtaining the Tax Clearance Certificate and Transfer Consent for a change in indirect ownership of mineral rights. The tax application process was lodged on 4 March 2019. MXR have advised that they have received the tax assessment. An update on the tax will be made shortly. Both taxation and rights transfer processes are interdependent and run concurrently.

In compliance with Mozambique's Mining Law (2014), Chapter VII (62)(2), the Company's submission to the Ministry of Mineral Resources and Energy for consent of transfer of indirect beneficial rights in Mining Titles 6620L and 6621L was accepted on 23 May 2019.

In late May 2019 the Company's General Manager (Mozambique) was afforded a courtesy meeting with the Director General of the Mozambique National Institute of Mines, during which an outline of the Company's exploration activities on the Corridor projects was provided, as well as discussion of the abovementioned regulatory compliance work.

Airborne Geophysical Survey

An airborne geophysical survey was undertaken during the quarter. The survey was commenced by the contractor, Geotech Limited, on 1st April and the final production flight was completed on 7th April. The survey comprised a total of 2442 line-kilometres, flown at a height above ground of 30m and airspeed of typically 250km/h.

Radiometric Survey Interpretation

The radiometric survey data set includes equivalent ground concentrations of Thorium (Th) and Uranium (U) parts per million (ppm), and Potassium per cent (K%). Derived data sets including Dose rate (U+Th+K) and Th/K radioelement ratio have also been produced.

Zircon typically contains trace quantities of Th and U, and therefore, high intensity Th and U anomalies are interpreted to represent areas of heavy mineral sand (HMS) mineralisation where zircon content is likely to be at higher concentrations within the total heavy mineral assemblage. Similar radiometric survey data has been used by Rio Tinto in Mozambique to generate high-zircon HMS targets, and more recently Strandline Resources has used radiometric data to expand mineral resources and define drill targets at the Fungoni at Tajiri deposits, respectively. The data outlined in this report focuses on Th anomalism to summarise the findings and interpretation, however, the U and Dose (U+Th+K) data interpretation also correlates very closely with that of the Th data.

Large, coherent Thorium anomalies up to 4km x 2km on the Corridor Central tenement (Figure 1) and 4.3km x 1.5km on the Corridor South tenement (Figure 2) occur within broader, more diffuse areas of anomalism. On the Corridor Central tenement, radiometric anomalism (Anomaly 1) correlates with areas where historic drill results show high grade HMS mineralisation. Only one historic drill hole (CS101) with high grade total heavy mineral (THM) was drilled over a high intensity radiometric anomaly, and this strongly suggests that a much larger zone of HMS mineralisation, with potentially higher grade THM, occurs in the Anomaly 1 area.

Anomaly 2 located on the Corridor Central tenement (Figure 1) correlates well with the high grade visual estimated THM obtained from the Company's recent auger drilling and a linear topographic high, interpreted as the limb of a palaeodune.

In addition to the correlation of radiometric anomalism with existing drill results, interpretation of the radiometric data has defined numerous other anomalies (e.g. Anomalies 3, 4, 5, 8, 10 & 11) on both tenements that represent high quality drill targets beyond the areas previously known.

Ground-truth sampling within Anomalies 1, 6 & 7 involved hand auger drilling to a depth of 3m, at locations where the most intense radiometric anomalism occurs. Results from visual estimation of THM% in pan concentrates range from 3.5–5.5% THM (Figure 3), and further confirms that the radiometric anomalism correlates with near-surface high grade HMS mineralisation.

The high intensity radiometric anomalism on the western side of Corridor Central tenement correlates with significant areas of black clay within the Limpopo River valley (Figure 1).

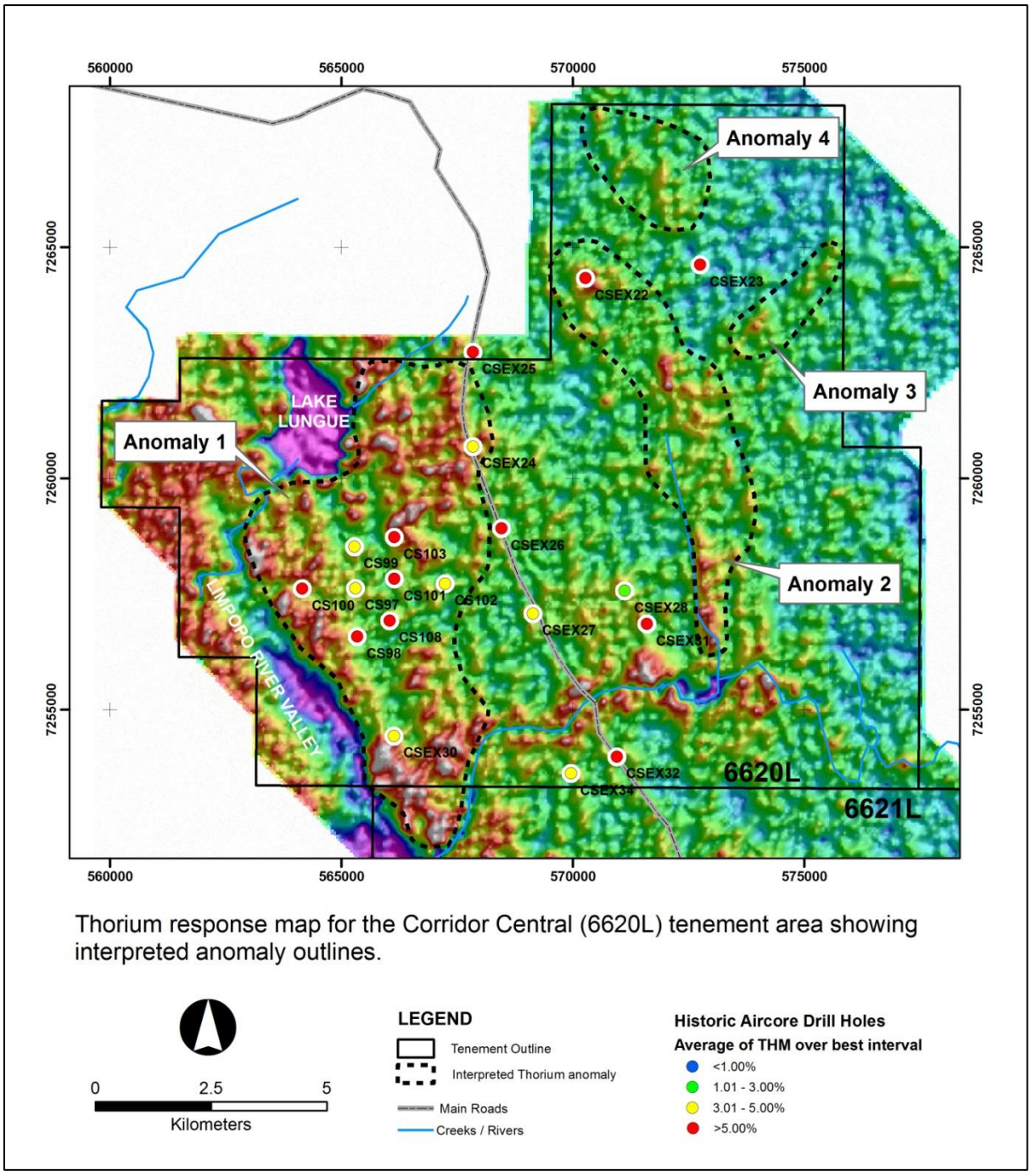
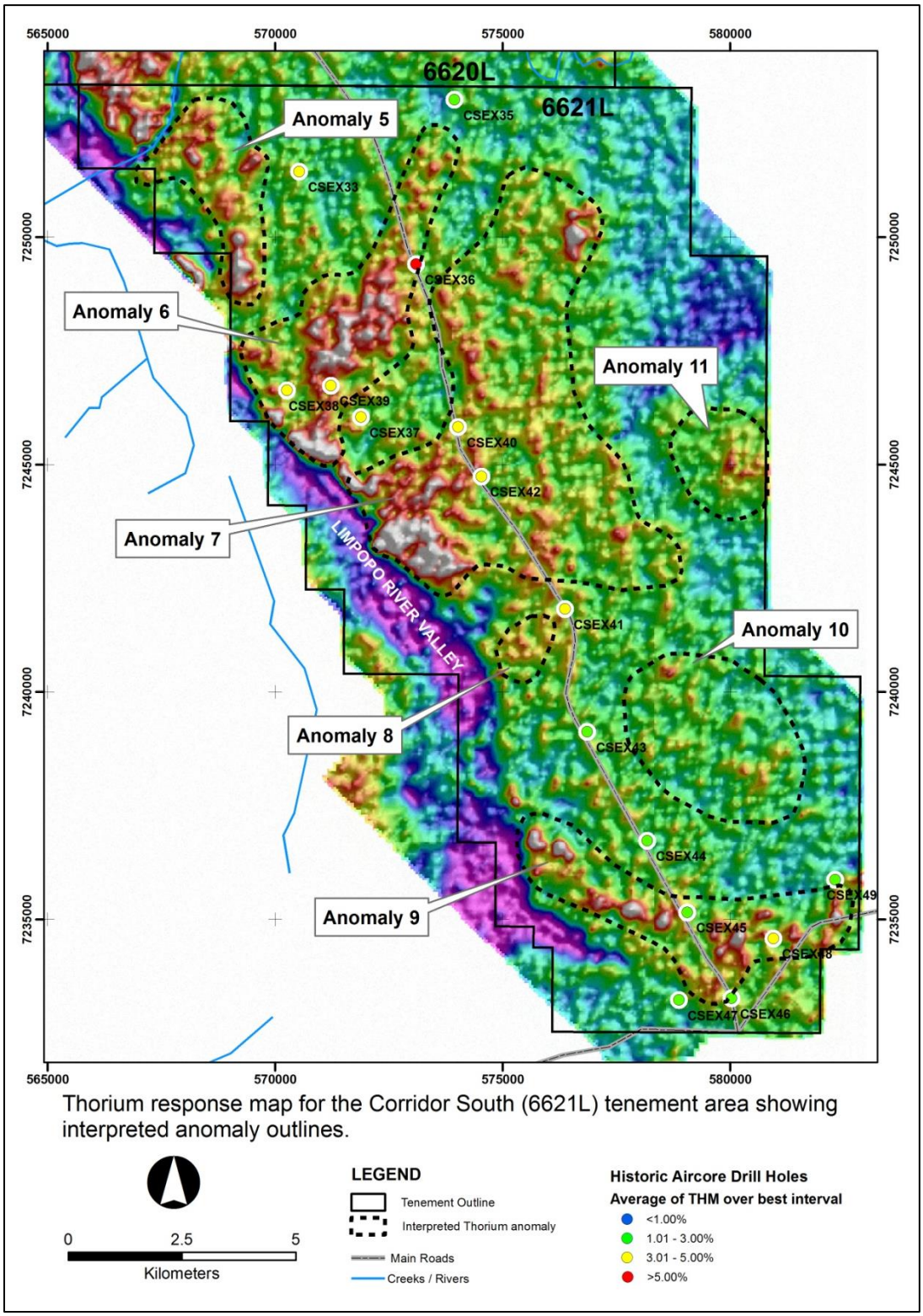


Figure 1: Map of equivalent ground concentration response for Thorium (ppm) for the Corridor Central (6620L) tenement area, showing extensive diffuse anomalies which contain very large (4km x 2km) more coherent anomalies. White-red response is high concentration and purple-blue is low concentration Th.



Thorium response map for the Corridor South (6621L) tenement area showing interpreted anomaly outlines.

Figure 2: Map of equivalent ground concentration response for Thorium (ppm) for the Corridor South (6621L) tenement area, showing extensive diffuse anomalies which contain very large (4.3km x 1.5km) more coherent anomalies. White-red response is high concentration and purple-blue is low concentration Th.

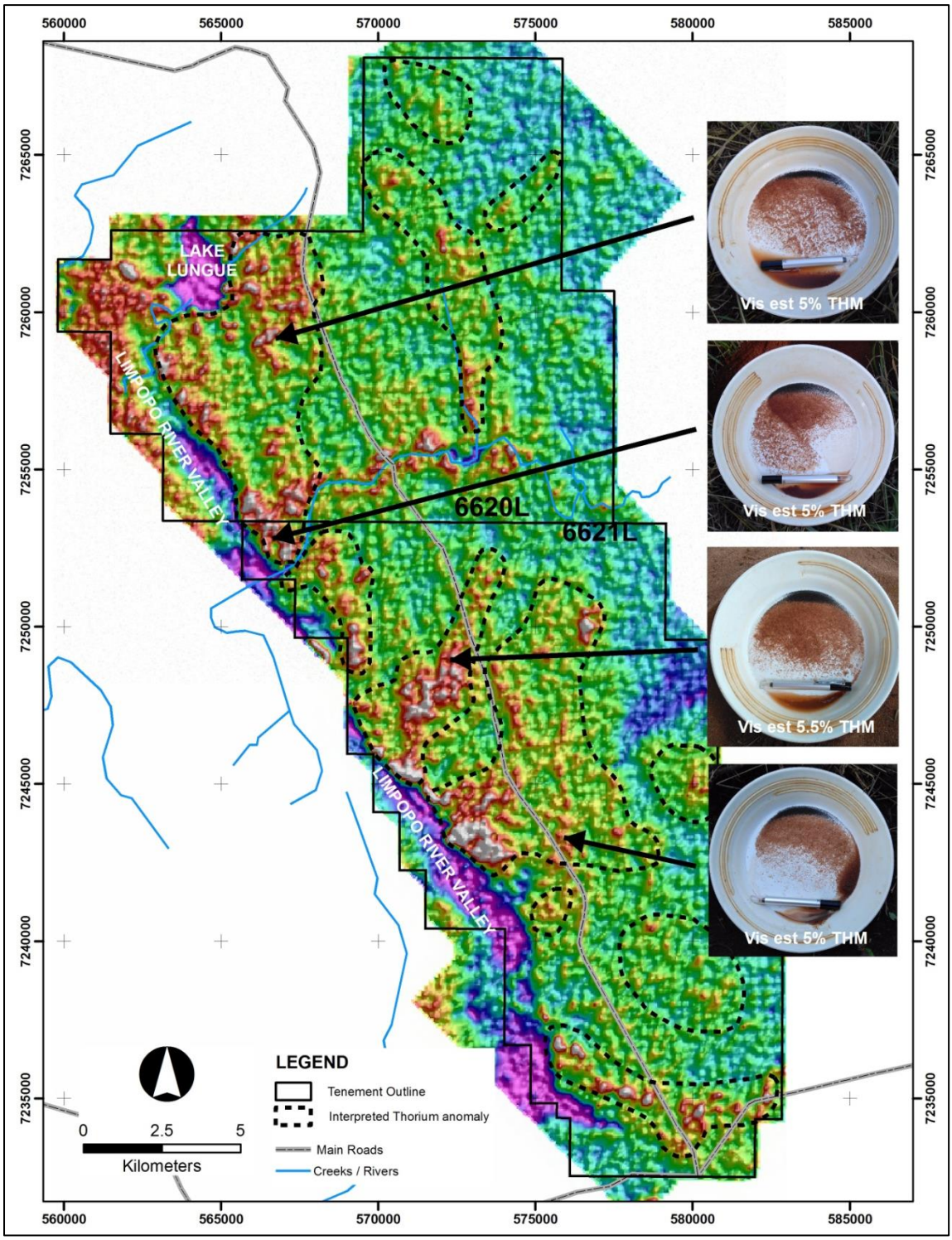


Figure 3: Map of equivalent ground concentration response for Thorium (ppm) for the Corridor tenements, showing field photos of pan concentrate samples from drill holes collared on selected high intensity Th anomalism. White-red response is higher Th concentration and purple-blue is lower Th concentration. 'Vis est' = visual estimated.

Magnetic Survey Interpretation

The airborne magnetic data set was processed and imaged in order to highlight and better define discrete anomalies, anomaly boundaries, location of anomalies, controlling structures, lithological variation, and potential basement features. Data processing included calculation

of the first and second derivatives, tilt derivatives, and analytic signal filtering. All magnetic data was reduced to the pole to account for any inherent remnant magnetism.

The HMS mineral assemblage in southern Mozambique is known to be dominantly ilmenite, and contain significant amounts of titanomagnetite, both of which have high magnetic susceptibility. The interpretations reported here focus on the Total Magnetic Intensity Analytic Signal (TMI-AS) data to summarise the findings, as it places the magnetic anomaly directly above the source and enhances the near surface responses. The remaining larger magnetic data set correlates and complements this TMI-AS data.

The interpretation of airborne magnetic data has defined large, discrete anomalies up to 3km x 0.5km on the Corridor Central tenement (Figure 4) and 9km x 1.0km on the Corridor South tenement (Figure 5) that occur within broader, more diffuse areas of anomalism. Overall, there are at least 13 TMI-AS anomalies interpreted from the data that require testing with hand auger or aircore drilling.

On the Corridor Central (6620L) tenement, magnetic anomalism (TMI-AS Anomaly 1 & Anomaly 2) correlates with areas where historic drill results show high grade HMS mineralisation, as well as with the radiometric anomalism in that area. Several historic drill holes (e.g., CS98, CS100, and CS103) with high grade THM were drilled over a discrete high intensity TMI-AS peak within TMI-AS Anomaly 1, however, the most coherent and extensive anomalism that occurs to the southwest and north of TMI-AS Anomaly 1, remains untested. The significant extent of near surface anomalism strongly suggests much larger zones of HMS mineralisation, with potentially higher grade THM, occurs within the Corridor Central tenement.

In terms of the Corridor South (6621L) tenement, an extensive linear northeast-southwest oriented anomaly, approximately 9km long and 1km wide (TMI-AS Anomaly 10; Figure 5), dominates the TMI-AS fabric. This anomaly is interpreted to be a palaeoshoreline and appears to be a composite of at least 2 significant strandlines. The TMI-AS Anomaly 10 remains untested by any previous drilling. The location of the interpreted palaeoshoreline is not obvious on the newly acquired detailed digital elevation model (DEM), which demonstrates the usefulness of the airborne magnetic data in closely locating such features that are known to control deposition of HMS mineralisation.

A second relatively sinuous and extensive (7km x 0.5km) palaeoshoreline is interpreted as TMI-AS Anomaly 11, oriented broadly north-south, and correlates with the flank of the Limpopo River valley (Figure 5). This anomaly represents another potential zone of strandline development and is a high quality drill target.

The majority of interpreted magnetic anomalies correlate in-part with radiometric anomalism, particularly on the west side of the project area, on the flank of the higher elevation adjacent to the Limpopo River valley.

In terms of a broad palaeocoastal interpretation, the larger high intensity magnetic anomaly aggregates possibly represent zones of heavy mineral concentration related to palaeodune crests which overprint primary palaeoshorelines at depth. The occurrence of the very linear interpreted palaeoshoreline on Corridor South (i.e. TMI-AS Anomaly 10), suggests the possibly HMS-rich strandlines associated with it have less palaeodunal overprint and are closer to surface there.

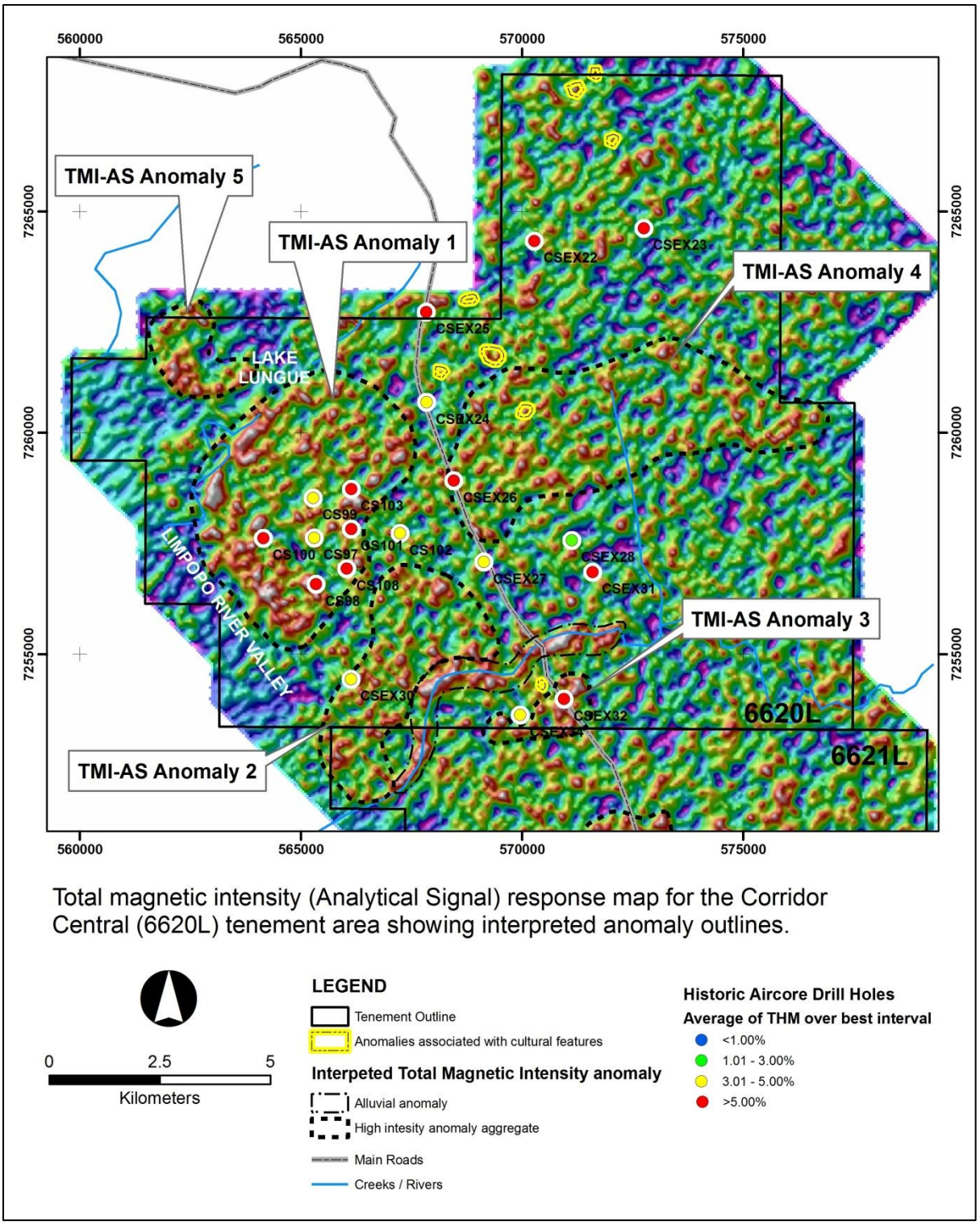
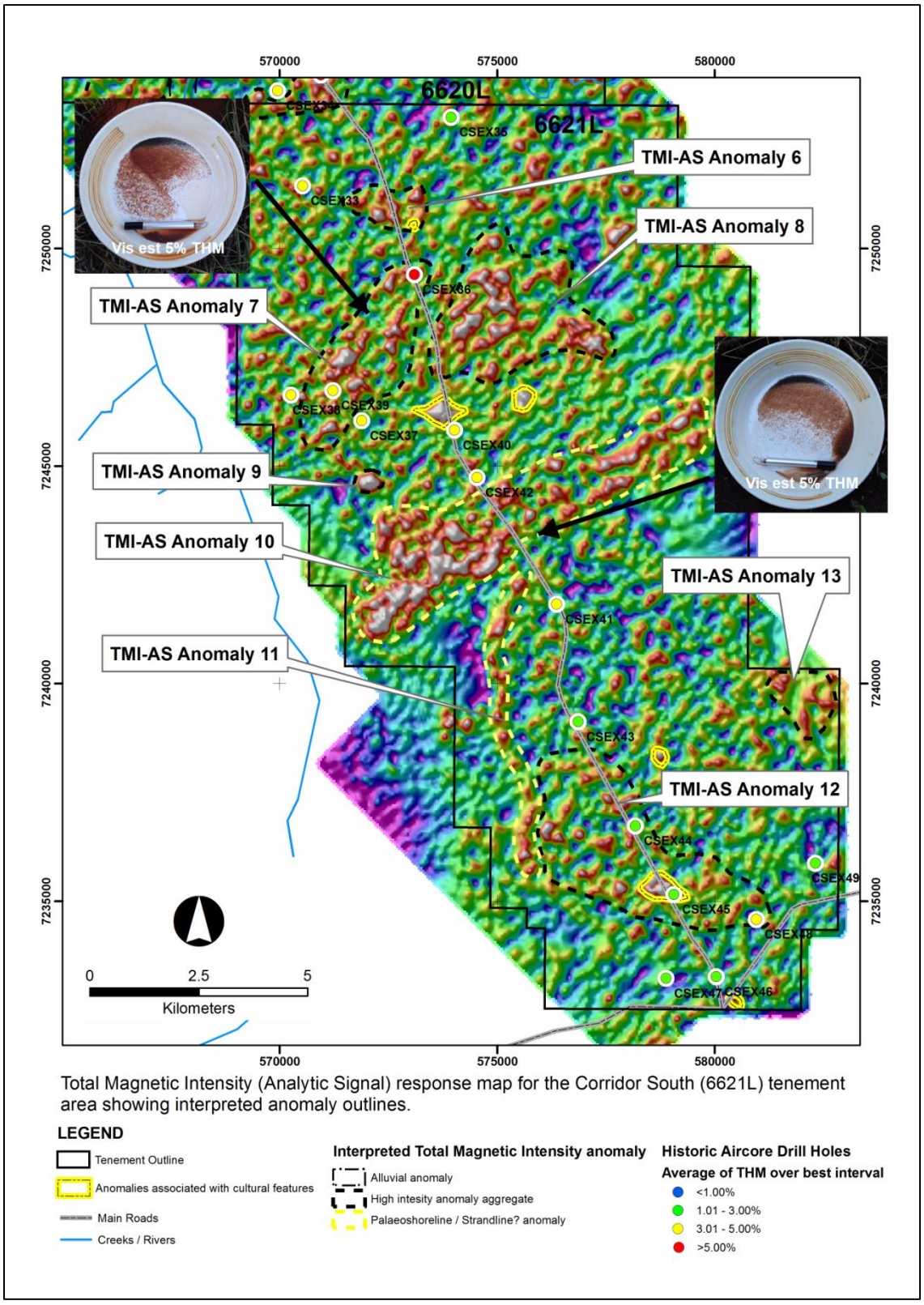


Figure 4: Map of Total Magnetic Intensity (Analytic Signal) response for the Corridor Central (6620L) tenement area, showing interpreted anomalies. White-red response is high magnetic intensity and purple-blue is low magnetic intensity.



Total Magnetic Intensity (Analytic Signal) response map for the Corridor South (6621L) tenement area showing interpreted anomaly outlines.

Figure 5: Map of Total Magnetic Intensity (Analytic Signal) response for the Corridor South (6621L) tenement area, showing interpreted anomalies. White-red response is high magnetic intensity and purple-blue is low magnetic intensity.

Geophysical Survey Summary

Interpretation of the processed airborne magnetic and radiometric geophysical data for the Corridor projects has delivered to the company a comprehensive portfolio of exploration targets that are being prioritised for drill testing. In addition, MRG is improving the understanding of project geology, including the location of palaeogeographic coastal features that are typically known to host high grade HMS strandline-style mineralisation.

The next steps will include systematic aircore drilling of the best targets. Plans for aircore drilling are well advanced and a Drilling Update will be provided shortly.

Hand Auger Drilling

Verification and Orientation Auger Drilling at Koko Masava Prospect

Shallow hand auger drilling was conducted in the northwest of the Corridor Central (6620L) tenement on the Koko Masava prospect for verification of previous, historic aircore drilling (Figure 6). The drilling was conducted on two drill traverses with hole depths that range between 10.5 and 12m. Auger holes were drilled at 500m hole stations with the traverses 2000m apart. Samples were collected at 1.5m intervals downhole, with each sample panned to estimate a visual THM% grade.

A total of 18 verification and orientation holes (19CCHA017–032, 19CCHA037 & 19CCHA038) have been drilled, for 190.5 metres and 127 samples collected, not including QA/QC samples. The estimated visual THM% grade range over the current sample batch is 1.0–4.5%, with an average of 3%. The best hole is 19CCHA021 with 10.5m @ 4.0% visual estimated THM (Figure 6). Optical microscopy of field pan concentrates indicate that ilmenite is the dominant valuable heavy mineral (VHM), although rutile, zircon and leucoxene VHM species are also noted as part of the assemblage. Importantly, trash mineral content (such as kyanite, epidote and garnet) in the pan concentrates appears to be very low.

In terms of the comparable depth historic aircore drilling, the range of laboratory derived grades from sample intervals between 0 to 12m depth within holes is 1.0–7.4% THM, with an overall sample average 3.38% THM from 47 samples. This correlates closely with the visual estimated THM% data obtained from the Company's auger drilling.

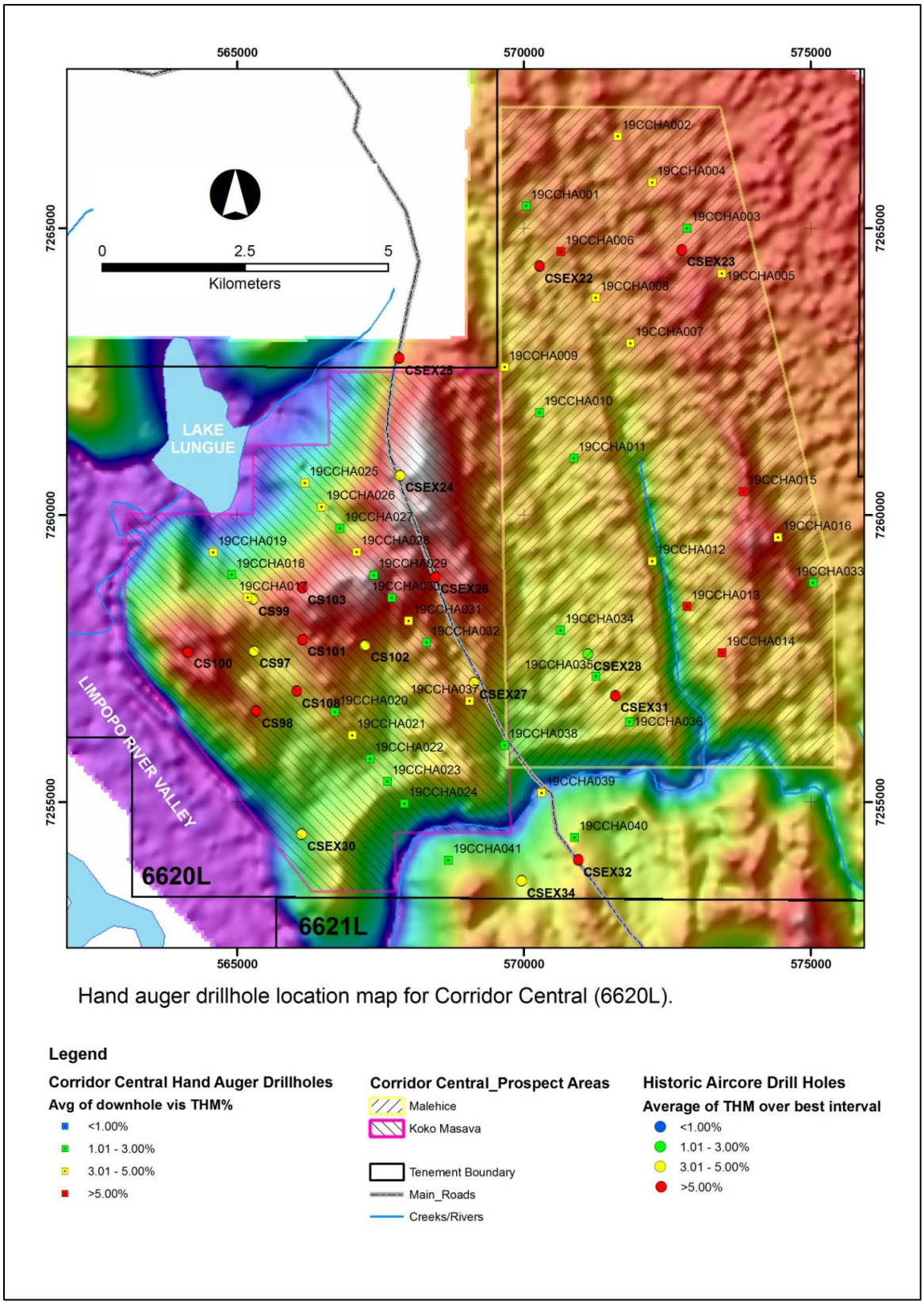
Reconnaissance Auger Drilling on Corridor Central (6620L)

Reconnaissance hand auger drilling to the east of historic RC drilling was conducted over interpreted palaeoshorelines at the Malehice Prospect (Figure 6) within Corridor Central (6620L). Impressive visual estimated THM grades up to 12% from individual down hole samples were discovered at this new Prospect. Of particular note were 13m deep holes ending in high grade - > 5% visual estimated THM.

The drilling was completed on lines 2000m apart with hole stations 1000m apart, and between 10.5–13m deep. A total of 23 holes were drilled (19CCHA001–016; 19CCHA033–036; 19CCHA039–041) for a total of 259.5 metres and 173 samples, not including QA/QC samples. Samples were collected at 1.5 metre intervals downhole. The visual estimated THM grades over the sample batch ranges from 0.5–12%, with an average of 4.3%. The best results are from hole 19CCHA015 with 12m @ 8% visual estimated THM, plus 19CCHA013 and 19CCHA006 containing 12m @ 7% and 13m @ 7% visual estimated THM, respectively. Each of the three afore-mentioned holes ended in mineralisation >5% visual estimated THM. Whilst the holes are considered wide spaced, the discovery of these new zones of mineralisation that is open at depth is significant and show strong potential for further deeper mineralisation.

The sand lithology in the eastern reconnaissance holes comprises relatively well sorted, fine-medium grained, grey-brown sand, and contrasts with sand in the west of the tenement area closer to the Limpopo River valley, where it is medium-coarse grained, moderately sorted, red-brown sand. There is a correlation of the high grade heavy mineral results from the recent reconnaissance auger drilling and linear, sub-parallel NNW-SSE topographic features defined by the new high resolution digital elevation data obtained by the Company from the airborne survey completed in April, 2019 (Figure 6). The newly defined linear features are interpreted as limbs of parabolic coastal palaeodunes that overprint older shorelines, deposited subsequent to coastal progradation. Discrete sections of the palaeodune limbs are 5–7km long and 1km wide and present exciting additional high quality exploration targets on the east side of both Corridor Central (6620L) and Corridor South (6621L) tenements which has not previously been explored.

These additional topographic targets will be complied and ranked together with the geophysical targets that will be generated from the final processed airborne data, and will be progressively tested with auger drilling.



Hand auger drillhole location map for Corridor Central (6620L).

Figure 6: Hand auger drillhole location map of holes at Koko Masava and Malehice prospects overlain on the digital elevation data obtained from the Company's airborne survey completed in April, 2019.

Reconnaissance Auger Drilling on Corridor South (6621L)

Auger drilling was conducted by the Company over geophysical anomalies on the Corridor South tenement and has yielded impressive visual estimated THM grades up to 7% from individual sample intervals. Importantly, the best auger hole completed to date at Corridor South, 19CSHA056, was drilled within the very large 9.0km long and 1.0km wide magnetic TMI-AS Anomaly 10 (Figure 7).

This reconnaissance hand auger drilling has been focussed in the northern sector of the Corridor South tenement, and is generally far from the areas of historic aircore drilling. Of particular note is that some holes end in high grade mineralisation >5% visual estimated THM. The current distribution of hand auger drillholes is related to ease of access, with additional holes still planned in areas more difficult to access.

The drilling was completed on lines 2000m apart with hole stations 1000m apart, and between 9.0–10.5m deep. A total of 21 holes have been drilled (19CSHA042–062) for a total of 219m and 146 samples, not including QA/QC samples (Figure 7). Samples were collected at 1.5m intervals downhole. The visual estimated THM grades over the sample batch ranges from 1.5–7.0%, with an average of 3.2%. The best results are from hole 19CSHA056, with 9m @ 5.4% visual estimated THM (Figure 7), which is located within the extensive TMI-AS Anomaly 10.

This auger drill data is further validation of the correlation between the magnetic anomalies and the potential for the significant tonnage scale of heavy mineral sand mineralisation in the Corridor projects area.

Other significant results from the auger drilling are from drillholes 19CSHA044 and 19CSHA048 containing 10.5m @ 4.4% and 10.5m @ 4.2% visual estimated THM, respectively. Each of the three afore-mentioned holes (including 19CS056) ended in mineralisation >4.8% visual estimated THM grades, indicating significantly more potential mineralisation in those areas.

The typical sand lithology logged to date in the Corridor South reconnaissance auger holes comprises relatively well sorted, medium-coarse grained, moderately sorted, red-brown sand which is similar to the sand in the western sector of Corridor Central tenement. Field inspection of the pan concentrates indicates they consist of mainly valuable heavy minerals (ilmenite, rutile and zircon) and there is negligible typical trash mineral content, such as garnet, epidote or kyanite.

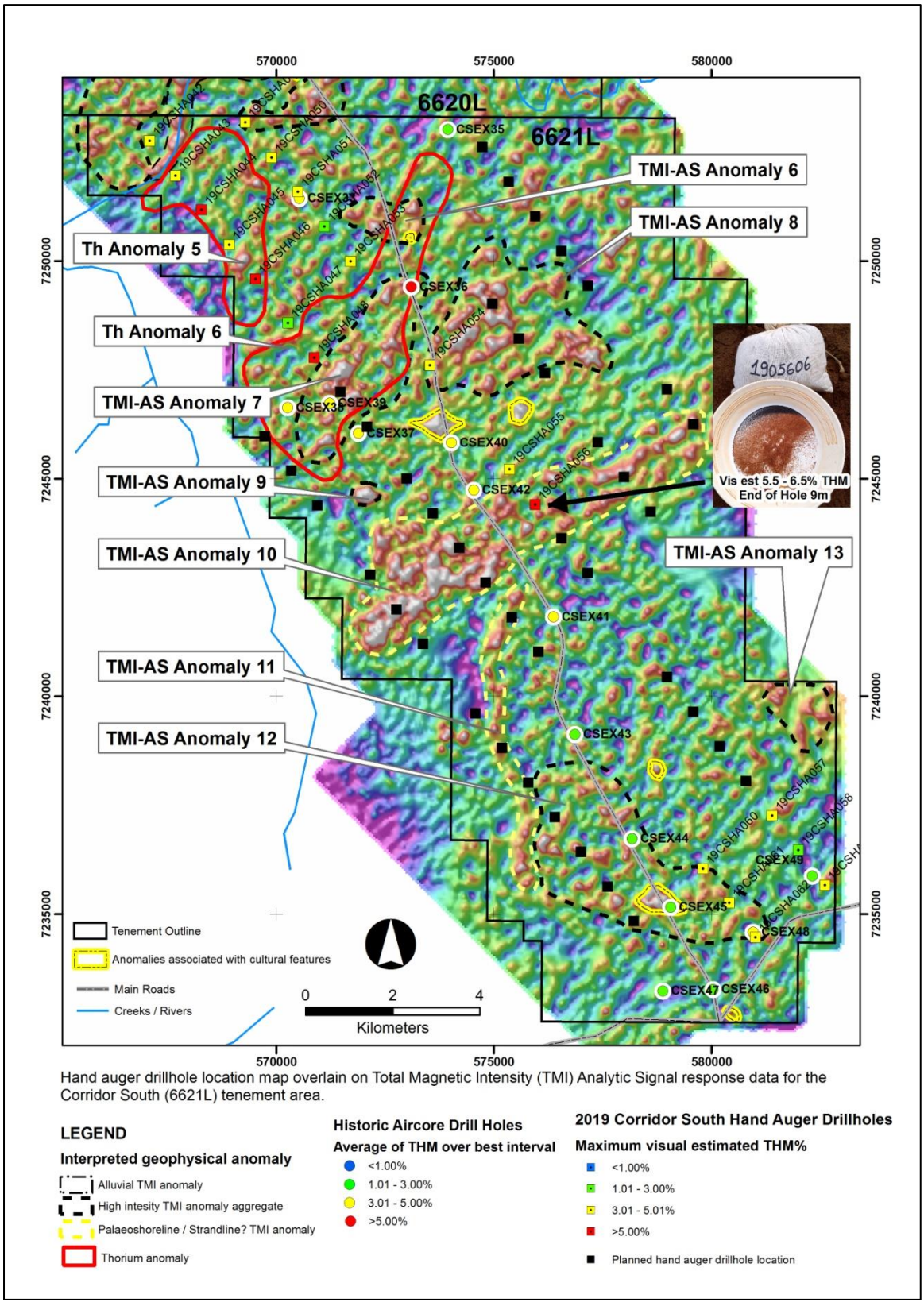


Figure 7: Hand auger drillhole location map of holes on the Corridor South tenement overlain on the digital elevation data obtained from the Company's airborne survey completed in April, 2019.

Auger Sample Export to Australia

The Company's strong preference is to have the heavy liquid separation analysis of auger and aircore drill samples undertaken in Australia, as it allows heavy mineral concentrates to remain in the Company's custody and do various other analyses on the mineral concentrates there. In addition, it allows the Competent Person that will undertake the mineral resource estimation (based in Perth) to formally audit the laboratory and do unannounced inspections, which are all important elements of a diligent mineral resource estimation process.

An application for an import permit of drill samples to Australia was submitted to the Department of Agriculture on 22 May 2019 and is pending assessment. The import permit was granted on 10 July 2019 and first samples have arrived in Australia.

Mineral Assemblage Sample Analyses

The Company is pleased to announce impressive results for mineral assemblage characterisation of three selected samples from the Corridor Central (6620L) and Corridor South (6621L) tenements. The samples were collected from trap sites as heavy mineral concentrates in order to obtain baseline data on the valuable heavy mineral (VHM) assemblage within the THM concentrate (Figure 8), which can be used to inform estimates of the unit value of potential project ore.

The results demonstrate the robust and high quality nature of the valuable mineral assemblage within the tenements, with the best VHM result of 57.35% (CCHMC03; Table 1), being notably better than the results published for Corridor Deposit 1 (Table 2) where Deshing Minerals has committed to spend US$500m. This best VHM result comprises 54.72% ilmenite, 2.06% zircon and 0.58% rutile.

Samples were submitted to Process Mineralogical Consulting Limited in British Columbia, Canada, for preparation and analysis. Each sample was screened at -45µm to remove any slime material and +1mm to remove oversize sand. The -1mm to +45µm sample fraction then underwent heavy liquid separation at 2.90 g/cc to generate a clean heavy mineral concentrate (HMC). The HMC was magnetically separated at 0.6 Amps to produce magnetic and non-magnetic products which were then systematically analysed for mineral identification of a statistically meaningful grain population with a scanning electron microscope equipped with an energy dispersive spectrometer (TESCAN Integrated Mineral Analyser).

The ilmenite in the Corridor Central samples (CCHMC01 & CCHMC03) ranges from 45.09%–54.72%, whilst the Corridor South sample (CSHMC02) contains 52.40% ilmenite and demonstrates the robust nature of the assemblage over at least 18 km of strike. Importantly, the bulk of the ilmenite in each sample is characterised as ilmenite grain phases with 70-85% TiO_2, which underscores the high quality characteristics of the ilmenite. This characteristic is important as it suggests the bulk of the ilmenite has potential to be a high value feedstock product.

Each sample also contains between 19.7%–16.3% low TiO_2 (20%–50%) mineral phases which are highly likely to be lower-TiO_2 ilmenite. This will be verified with optical mineralogical analyses and has the potential to materially improve ilmenite proportions and the overall VHM content within the THM.

Ilmenite grainsize in each of the three samples shows between 70%–80% of grains are larger than 100µm. Larger Ilmenite grainsize is a key physical characteristic that enables optimum separation of the ilmenite mineral from slimes during the primary concentration process.

Combined rutile+zircon content ranges between 2.45%–2.64% of THM. This significant contribution of these high unit value mineral products will play an important role in the potential project economics.

Appreciable amounts of leucoxene (0.28%–0.44%) and Rare Earth Element minerals monazite and xenotime (0.1%–0.28%) are noted in the mineral assemblage and could also have positive impacts on any potential project economics.

Additional data for the mineral chemistry of ilmenite, rutile and zircon, plus overall TiO_2 deportment is still awaited from the laboratory. An update will be provided when this data is available.

The mineral assemblage data for Corridor Central and Corridor South tenements correlates closely with the data available for Corridor Deposit 1 (Table 2), which is currently being mined by Deshing Minerals only 10 km to the north. This correlation is strong evidence of VHM provenance continuity from the Deposit 1 area south into the Corridor Central and Corridor South areas. This new mineral assemblage data, together with high grade visual estimated THM grades in recent auger drilling of extensive geophysical anomalies, demonstrates the significant prospectivity of the tenements for large, high value HMS deposits and continues to build the Company's confidence, with the next phase being the undertaking of an Aircore drilling programme.

Table 1: Summary of the valuable heavy mineral contents within total heavy mineral for the three selected samples from Corridor Central and Corridor South tenements.

Sample_ID	Ilmenite (%)	Rutile (%)	Zircon (%)	TOTAL VHM (%)	Count (grains)
CCHMC01	45.09	0.58	1.87	47.54	32,468
CSHMC02	52.40	0.70	1.92	55.03	35,704
CCHMC03	54.72	0.58	2.06	57.36	33,655

Note: Ilmenite = altered ilmenite (70-85% TiO2) + ilmenite (50-70% TiO2).

Table 2: Summary data for the mineral assemblage related to the mineral resource at Corridor Deposit 1.

Corridor Deposit 1	Ilmenite (%)	Rutile (%)	Zircon (%)	TOTAL VHM (%)
West A+B block	53.13	0.63	2.19	55.94
West C block	53.62	0.72	2.17	56.52
East D block	51.72	0.80	2.87	55.40
East E block	51.81	0.84	2.89	55.54
East F block	51.95	0.78	2.86	55.58

Note: Data is summarised from the Southern Mining Corporation Annual Report for the year 2000.

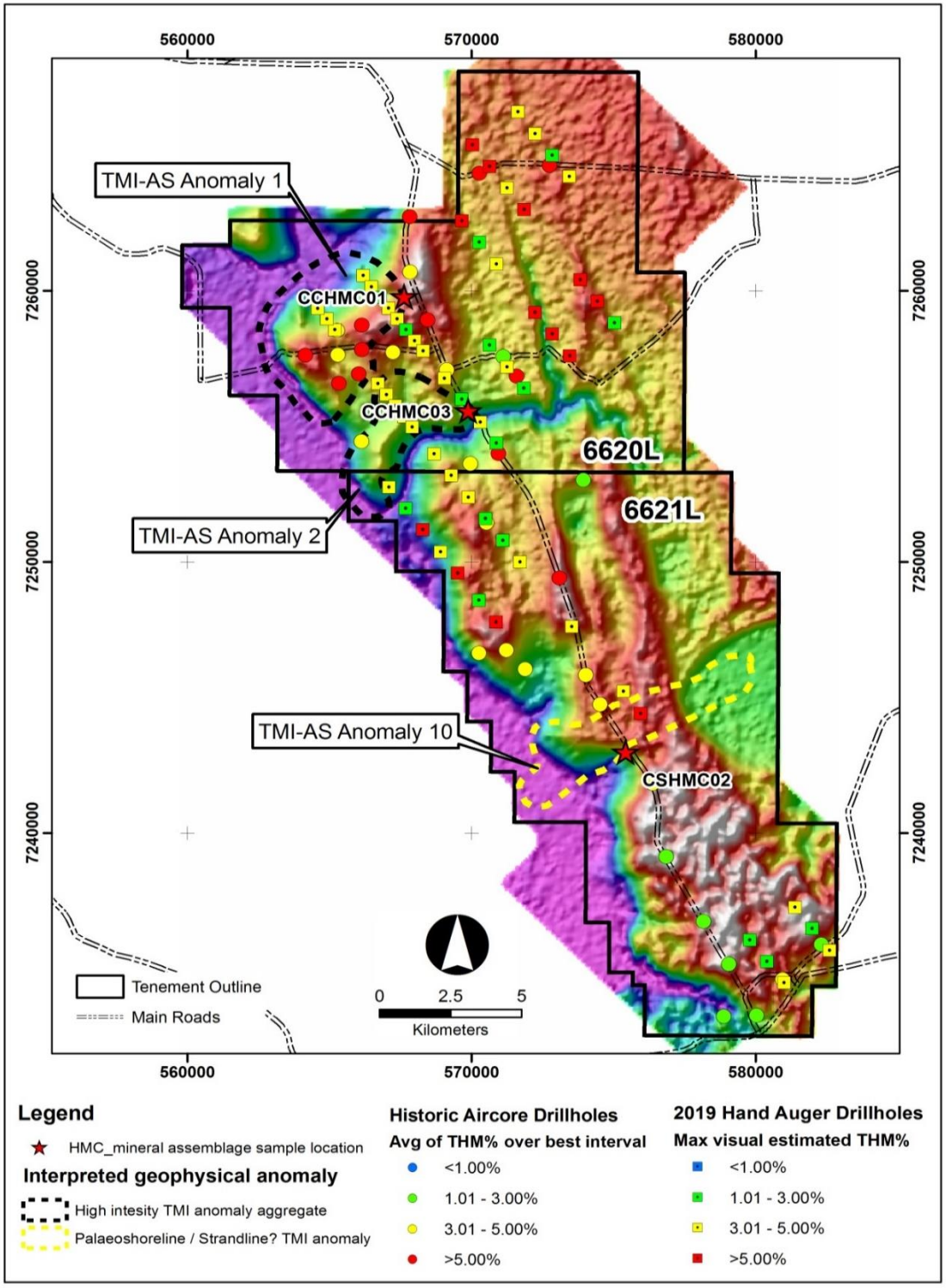


Figure 8: Location map of samples used for mineral assemblage analyses. Base image data is the 2019 digital elevation model (purple = low elevation, white = high elevation).

Government and Community Stakeholder Engagement

The Company's field team spent the second week of April presenting the proposed field activities to various stakeholders in the areas of influence in the Corridor South (6621L) tenement. Government stakeholders included those from provincial, district and village post levels, who were provided with a presentation of the nature of the airborne survey plus different drilling activities planned for the project (Figure 9). Community members from local villages also participated in the engagement. The information was received very positively with the Company commended for its proactive approach to the engagement prior to initiation of any field activity.

Figure 9: Photographs of the Company's field team presenting information on planned activities to local government and community people in the Corridor South tenement.

AUSTRALIA
QUEENSLAND IOCG PROJECTS

PULCHERA - QLD

The Company was unable to obtain a Joint Venture opportunity during the quarter. Since the end of the quarter, the Company decided not to renew the Project and focus on Mozambique Heavy Mineral Sands Projects.

YARDILLA - WA

The Company was unable to obtain a Joint Venture opportunity during the quarter. The Company decided not to renew the Project and focus on Mozambique Heavy Mineral Sands Projects. Subsequent to the end of the quarter, the Company agreed with Nelson Resources Ltd (ASX:NES), who acquired the Yardilla tenements; to sell data for $25K, a 1% NSR and a payment of $50K if a JORC compliant resource is declared within the tenements.

LOONGANA - WA

The Company was unable to obtain a Joint Venture opportunity during the quarter. The Company decided not to renew the Project and focus on Mozambique Heavy Mineral Sands Projects.

SWEDEN
NORRLIDEN FARM-IN

During the quarter, MRG and its JV Partner, Mandalay Resources, pursued potential sale opportunities.

CORPORATE

There were no capital raisings during the quarter.

Andrew Van Der Zwan
Chairman and Non-Executive Director

Competent Person for Mozambique

The information in this report, as it relates to Mozambique-based Exploration Results is based on information compiled and/or reviewed by Dr Mark Alvin, who is a member of The Australasian Institute of Mining and Metallurgy. Dr Alvin is an employee of the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which has been 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". Dr Alvin consents to the inclusion in this report of the matters based on the information in the form and context in which they appear.

+Rule 5.5

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	
MRG METALS LIMITED	
ABN	**Quarter ended ("current quarter")**
83 148 938 532	30 June 2019

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	5	5
1.2	Payments for		
	(a) exploration & evaluation	(135)	(519)
	(b) development		
	(c) production		
	(d) staff costs	(80)	(344)
	(e) administration and corporate costs	(35)	(337)
1.3	Dividends received (see note 3)		
1.4	Interest received	2	14
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Research and development refunds		
1.8	Other (provide details if material)		
1.9	**Net cash from / (used in) operating activities**	**(243)**	**(1,181)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)	-	(139)
	(c) investments/government bond		
	(d) other non-current assets		

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12months) $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 (provide details if material)		
2.6	**Net cash from / (used in) investing activities**	**-**	**(139)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares		
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		
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**	**-**	**-**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	648	1,725
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(243)	(1,181)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(139)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held		
4.6	**Cash and cash equivalents at end of period**	**405**	**405**

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	6	20
5.2	Call deposits	399	628
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**405**	**648**

6.	Payments to directors of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	87
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	Nil

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Director Fees, Secretarial Fees, Consulting Fees, & Accounting Fees.

7.	Payments to related entities of the entity and their associates	Current quarter $A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	Nil
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	Nil

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

8.	**Financing facilities available** *Add notes as necessary for an understanding of the position*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
8.1	Loan facilities	Nil	Nil
8.2	Credit standby arrangements	Nil	Nil
8.3	Other (please specify)	Nil	Nil

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.

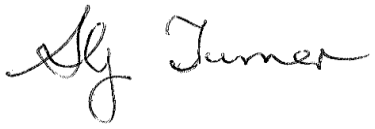
9.	**Estimated cash outflows for next quarter**	**$A'000**
9.1	Exploration and evaluation	100
9.2	Development	
9.3	Production	
9.4	Staff costs	80
9.5	Administration and corporate costs	80
9.6	Other (tenement acquisition costs)	
9.7	**Total estimated cash outflows**	**260**

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	Yardilla E28/2338 E28/2368 Loongana E69/3104 E69/3288	Exploration Exploration	100% 100%	0% 0%
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

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:  Date: 31 July 2019

(Company secretary)

Print name: SHANE TURNER

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.