



COOLGARDIE

MINERALS LIMITED



QUARTERLY REPORT

SEPTEMBER 2018



Coolgardie Minerals Limited (**CM1** or the **Company**) is pleased to present its quarterly report for the period 1 July 2018 to 30 September 2018.

QUARTER HIGHLIGHTS

- The Company raised \$4.25M (before costs) pursuant to the Offer made under the Prospectus dated 31 May 2018 and the Supplementary Prospectus dated 12 June 2018 (together, the **Prospectus**), through the issue of 21,255,150 fully paid ordinary shares at \$0.20 per share.
- Mining commenced at the Geko Project with mining contract awarded to SMS Innovative Mining Solutions (**SMS**).
- Geko Ore Sale Agreement executed with Northern Star Resources for the sale of up to 100,000 tonnes of high-grade oxide ore at a fixed gold price of AUD\$1,650 per ounce.
- Settlement of the Gekogold Pty Ltd dispute occurred on 3 August 2018.

OPERATIONS

Geko Project

In the first week of July, pre-production activities including topsoil removal, grubbing and site infrastructure started allowing for the commencement of mining.

SMS mobilised to site during July and August with; two 120 tonne excavators (PC1250 Komatsu), two Komatsu 785-7 trucks and ancillary equipment. Offices and associated infrastructure were installed ready to commence mining. Operations started in earnest on 2 August 2018 with mining of the waste overburden.

The 10km site access and haul roads were constructed to allow unhindered access to site from a well-established public road, north of Coolgardie.

Mining to date has progressed well with the Geko pit averaging 5m vertical depth by the end of September, with the deepest section being 10m from the surface. A bore has been equipped with a pumping capacity of up to 8 l/sec, to match the demand for site work, dust suppression and the haul road construction.

The 37ha evaporation pond has been cleared and is under construction.

The operation has maintained a high level of safety compliance with no lost-time injuries (LTIs) or significant incidents recorded to date. The combined SMS and CM1 safety management systems have resulted in a productive and safe working environment.

QUARTERLY ACTIVITY REPORT

SEPTEMBER 2018

Mining Production

Month	BCM (Bank Cubic Metres)
August	350,604
September	422,531
Total	773,135

The Geko Project has a Proven and Probable Ore Reserve* of 1,578,000 tonnes of ore at an average grade of 1.8g/t Au for 91,900 ounces gold. First ore production is scheduled for 28 October 2018.

*Note: Refer to the independent technical assessment report contained in Annexure A of the Company's Prospectus dated 31 May 2018 for further details with respect to the Company's mineral resources and ore reserves.



Map 1: Google Earth Image October 2018

Geko Ore Sale Agreement

On 6 September 2018, CM1 announced it had entered into an Ore Sale Agreement (**Sale Agreement**) with Northern Star Resources for the sale of up to 100,000 tonnes of high-grade oxide ore produced from the Geko Mine, at a fixed gold price of AUD\$1,650 per ounce.

The ore will be supplied at a minimum grade of 2.75 g/t Au, and will be delivered in parcels of 10,000 to 25,000 tonnes over a six-month period from 1 October 2018 to 31 March 2019. Purchase agreements for each parcel will be established with Northern Star after sampling procedures are completed, and the grade has been confirmed and agreed. It is expected the Sale Agreement will generate more than \$10 million in revenue for Coolgardie Minerals during the Agreement period.

Other toll milling agreements are being negotiated with nearby gold mills for the treatment of the remaining tonnes of Geko ore.

GEOLOGY

One RC Grade Control rig focused on infill drilling of the Geko supergene gold mineralisation which is the shallowest part of the ore body during the quarter.

Drilling refined the boundaries of known supergene gold mineralisation and enabled a high-confidence grade estimation to be completed before ore mining taking place. Analysis of the updated grade control database has been undertaken to determine optimal grade control estimation parameters. The expanded database allowed material previously classified as inferred to be modelled and estimated with enough confidence to incorporate it into the mining inventory.

Aircore sterilisation drilling on the Geko waste dump area was completed with no mineralisation identified within the dump footprint.

EXPLORATION

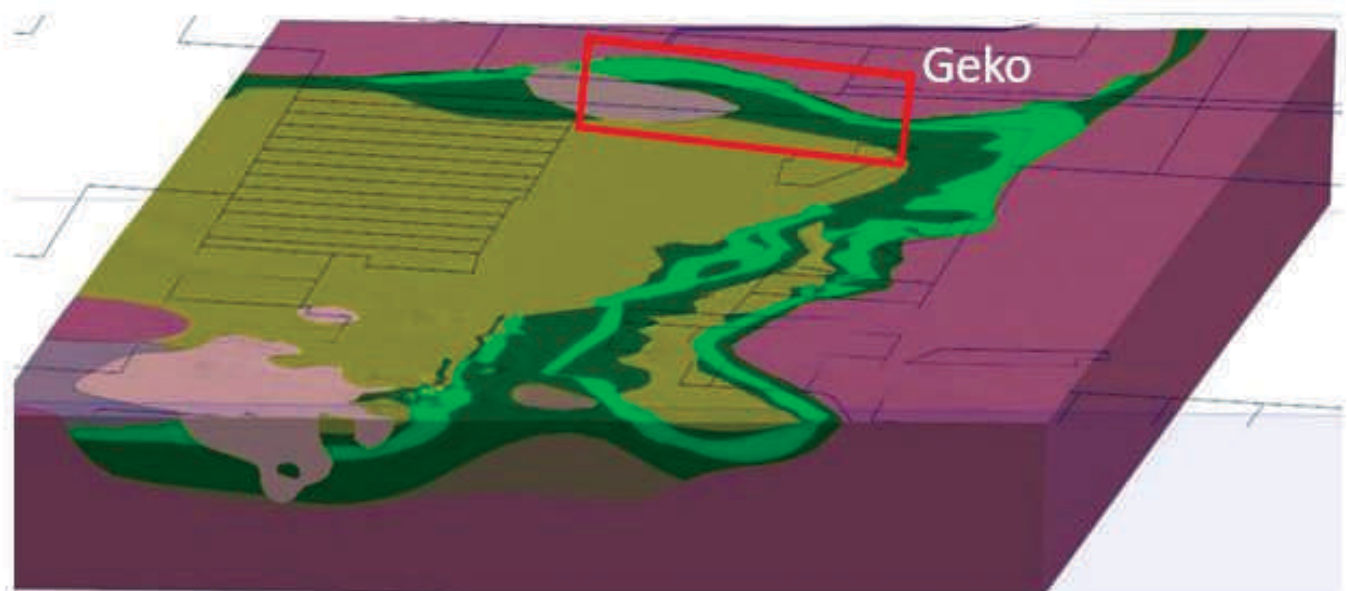
Regional Exploration

A regional review of the geology has confirmed that gold mineralisation in the Bullabulling Goldfield is not confined to a major regional shear zone (the Bullabulling Shear Zone) as previously thought, and consequently, the distribution of gold mineralisation is more extensive than originally believed. The prospectivity of the goldfield has been underestimated and exploration not effectively targeted because of this.

The gold mineralisation in the goldfield is strongly spatially associated with mafic lithologies adjacent to contacts with ultramafic lithologies, which may relate to competency and chemical contrasts that enhance the sulphidation reactions that accompany gold deposition.

There is 283km of mapped ultramafic amphibolite contact in the Bullabulling region, with only 21km tested by drilling. This leaves 262km of prospective geology untested, most of it is within the CM1 tenements.

A regional 3D geological map is being compiled that will be used, in conjunction with other data to target the most prospective zones to target new gold deposits.



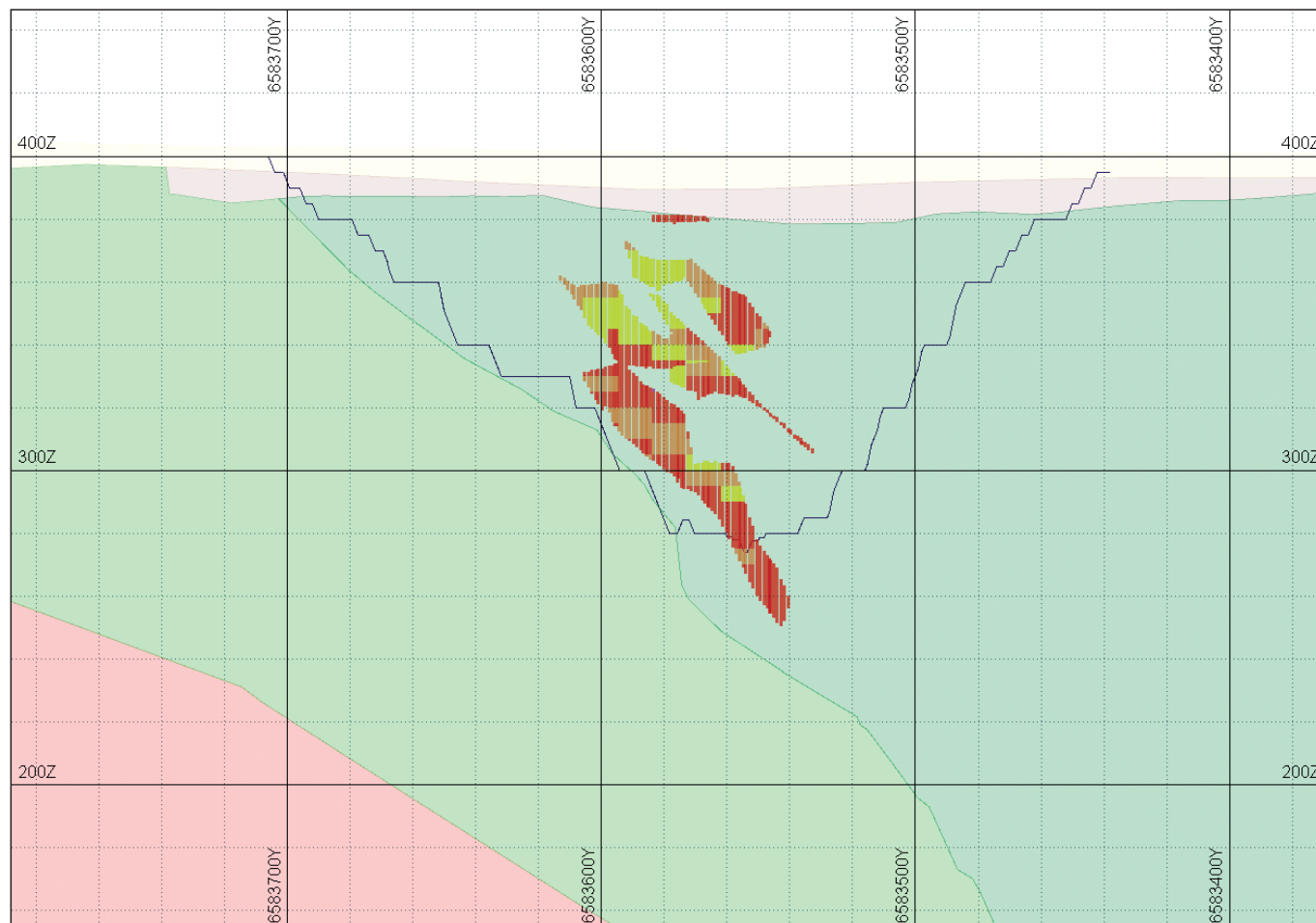
Map 2: 3D geology map being compiled to identify untested priority prospective zones throughout the area.

Geko Exploration

The Geko deposit occurs on the southern margin of an embayment in the Silt Dam monzogranite. Gold mineralisation is hosted in a folded and foliated mafic amphibolite at the contact with an ultramafic amphibolite that has a strike length of over 9km.

The geology at Geko, is similar to the surrounding Bullabulling Gold deposit owned by Norton Gold Fields Limited. The geology comprises magnetic east west trending ultramafic and mafic greenstone lithologies metamorphosed to amphibolite facies, along the contact with a monzogranite. 3D geological mapping of the ultramafic amphibolite and amphibolite contact confirms that it is repeated due to either early folding or thrusting and is refolded by a late syncline that plunges to the south.

Gold mineralisation at the Geko prospect is parallel to an ultramafic amphibolite contact and is preferentially located in the steeper part of the contact. 3D geological mapping confirms the steeper part of the contact swings from a northeast trend to an easterly trend, which results in the prospective part of the structure deepening to the southeast. The previously limited drilling has missed the more prospective, steeper part of the contact. The western end of the deposit has also not been fully explored. The ultramafic amphibolite and amphibolite contact is repeated 200m-350m to the south. Both the footwall and hanging wall contacts of the repetition of the ultramafic amphibolite have been poorly tested at the depth of fresh rock and provide targets for new mineralisation outside the current Geko deposit.



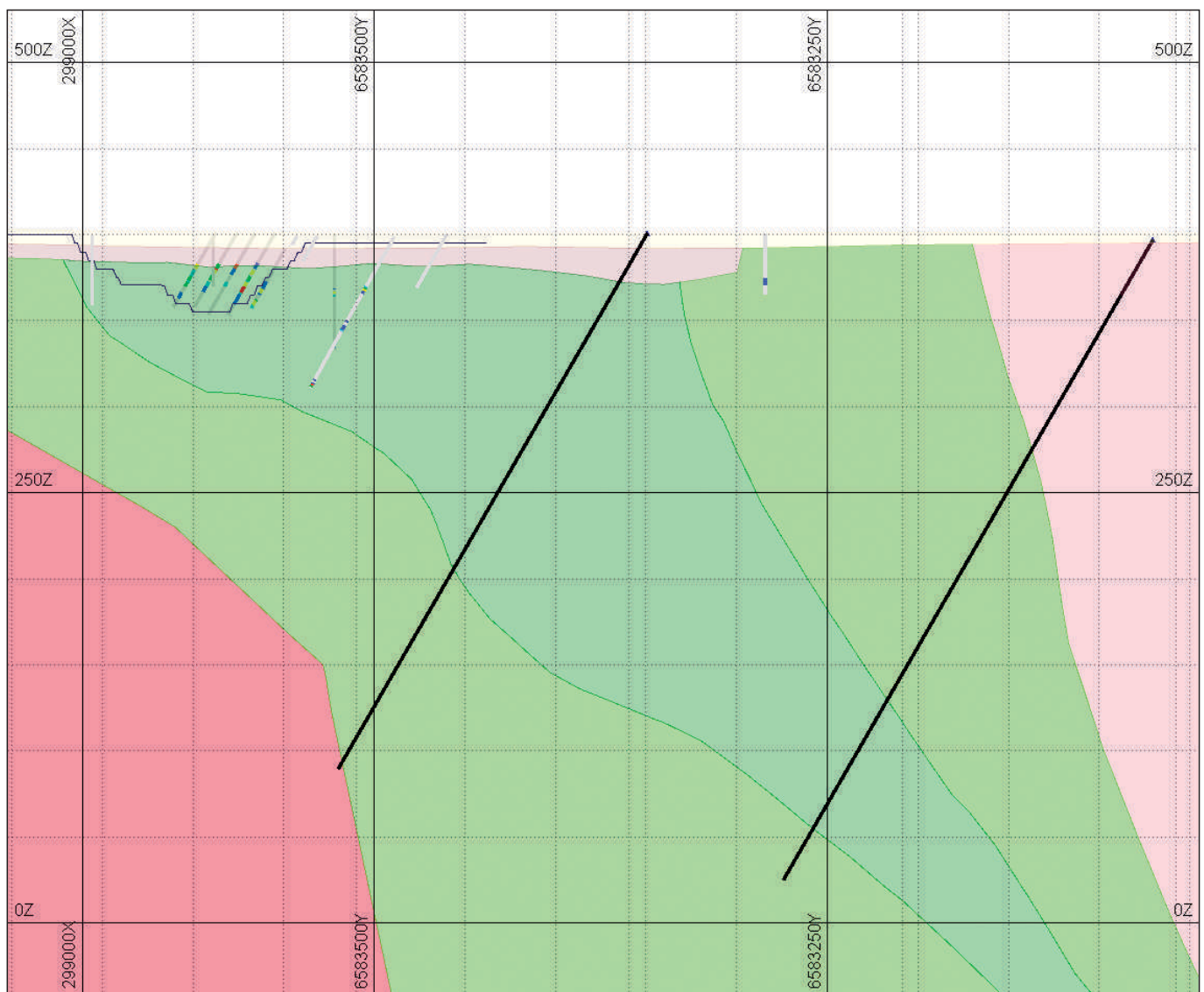
Map 3: Section through the Geko pit showing gold mineralisation (red) relationship to the steepening of the footwall (green).

The prospective ultramafic amphibolite contact that hosts the Geko prospect has a strike extent of 8.46km striking eastwest parallel to the Silt Dam monzonite contact. A total of 4.45km has been tested by shallow drilling to date with 4.01km untested. The Geko deposit covers only 0.8km of this strike and is the only area with significant drill coverage. The total area still to be tested increases significantly in the third dimension and when repetitions of the ultramafic amphibolite contact are considered.

Three diamond holes have been planned to test the eastern and western extensions of the ultramafic amphibolite contact that hosts the Geko resource. The holes are aimed to

intersect the prospective part of the contact where it steepens to test the 3D geological interpretation and intersect the down plunge position of the Geko resource.

Two additional holes have been planned to collect geological information from the southern ultramafic amphibolite contact and are planned to continue to intersect the northern ultramafic contact that hosts the Geko gold resource at a vertical depth of around 400m. The holes will also provide important orientation data of the northern ultramafic contact at depth and test if the contact steepens or shallows at this depth.



Map 4: Diamond drill holes planned to test the steepening contacts below the initial Geko pit.

FINANCE

The 30 September 2018 cash balance was \$1.66M, and the company had no bank debt.

During the quarter, CM1 appointed Noah's Rule Pty Ltd (**Noah's Rule**) to assist in securing debt to support the development of operations and future growth. Noah's Rule is also assisting in securing a hedging facility as part of Company's risk management program.

CORPORATE

On Thursday, 30 August 2018, CM1 commenced trading on the Australian Securities Exchange (**ASX**) under ASX code CM1. This followed the successful issue of 21,255,150 fully paid ordinary shares (**shares**) at 20 cents per share raising a total of approximately \$4,251,000 (before costs) pursuant to the Prospectus dated 31 May 2018.

The Company had a total of 103,470,756 shares on issue as at 30 September 2018. 19,672,401 shares are under restriction for 24 months from the date of quotation (until 30 August 2020), 250,000 shares are under restriction for 12 months from the date of issue (until 24 August 2019) and 450,000 shares were under restriction until 20 October 2018.

Subsequent to the end of the quarter, 450,000 shares were released from restriction on 20 October 2018. There have been no other changes in securities or new issues subsequent to the end of the quarter.

On the 3 August 2018, CM1 signed the Gekogold Pty Ltd Settlement Agreement. Further details can be found in the Prospectus dated 31 May 2018.

On 30 August 2018, Coolgardie Minerals Limited announced the change of its Registered Office to Ground Floor, 23 Altona Street, West Perth WA 6005.

CM1 released its 30 June 2018 Annual Financial Report on 28 September 2018.

Other key announcements made by CM1 during the quarter are summarised as follows;

- Commencement of mining at the Geko Project (refer ASX announcement on 30 August 2018); and
- Entering into an Ore Sale Agreement with Northern Star Resources for the sale of the first 100,000 tonnes of oxide ore produced from the Geko Mine, at a fixed gold price of AUD\$1,650 per ounce (refer ASX announcement on 6 September 2018).

Subsequent to the end of the quarter, CM1 announced the results from the initial grade control drilling at the Geko Project, 35km northwest of Coolgardie (refer ASX announcement on 3 October 2018).

CONTACT DETAILS

Shareholder Enquiries

Bradd Granville
Managing Director
enquiries@cm1.com.au

Media Enquiries

Katryn Fremlin
Brand One
kfremlin@brand-one.com.au

COMPETENT PERSON'S STATEMENT

Hayden Parry

The information in this report that relates to exploration results/mineral resources is based on information compiled and conclusions derived by Mr Hayden Parry, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Hayden Parry has sufficient experience that is relevant to the Technical Assessment of the Mineral Assets under consideration, the style of mineralisation and types 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". Hayden Parry is a full-time employee of Coolgardie Minerals Limited and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Greg Partington

The information in this report that relates to exploration results is based on information compiled and conclusions derived by Dr Greg Partington. Dr Partington is Managing Director of Kenex Pty Ltd. Dr Partington is a Competent Person who is a Member of AUSIMM Dr Partington 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". Dr Partington consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



QUARTERLY ACTIVITY REPORT

SEPTEMBER 2018

Project/Location	Tenement Number	Status	Interest %
Bullabulling	L15/229	GRANTED	100%
Bullabulling	L15/355	GRANTED	100%
North Bullabulling	E15/1452	GRANTED	100%
Bullabulling	E15/1561	GRANTED	100%
North Bullabulling	E15/1569	GRANTED	100%
North Bullabulling	E15/1591	GRANTED	100%
North Bullabulling	E15/1606	GRANTED	100%
North Bullabulling	E15/1607	GRANTED	100%
North Bullabulling	M15/59	GRANTED	100%
North Bullabulling	M15/467	GRANTED	100%
North Bullabulling	M15/549	GRANTED	100%
North Bullabulling	M15/621	GRANTED	100%
North Bullabulling	M15/901	GRANTED	100%
North Bullabulling	M15/1260	GRANTED	100%
North Bullabulling	M15/1791	GRANTED	100%
North Bullabulling	M15/1807	GRANTED	100%
North Bullabulling	M15/826	GRANTED	100%
North Bullabulling	M15/1035	GRANTED	100%
North Bullabulling	M15/1083	GRANTED	100%
North Bullabulling	M15/1454	GRANTED	100%
North Bullabulling	P15/5504	GRANTED	100%
North Bullabulling	P15/5505	GRANTED	100%
North Bullabulling	P15/5506	GRANTED	100%
North Bullabulling	P15/5507	GRANTED	100%
North Bullabulling	P15/5508	GRANTED	100%
North Bullabulling	P15/5577	GRANTED	100%
North Bullabulling	P15/5578	GRANTED	100%
North Bullabulling	P15/5579	GRANTED	100%
North Bullabulling	P15/5580	GRANTED	100%
North Bullabulling	P15/5581	GRANTED	100%
North Bullabulling	P15/5582	GRANTED	100%
North Bullabulling	P15/5583	GRANTED	100%
North Bullabulling	P15/5584	GRANTED	100%
North Bullabulling	P15/5585	GRANTED	100%
North Bullabulling	P15/5586	GRANTED	100%
North Bullabulling	P15/5587	GRANTED	100%
North Bullabulling	P15/5588	GRANTED	100%
North Bullabulling	P15/5589	GRANTED	100%

Project/Location	Tenement Number	Status	Interest %
North Bullabulling	P15/5590	GRANTED	100%
North Bullabulling	P15/5591	GRANTED	100%
North Bullabulling	P15/5592	GRANTED	100%
North Bullabulling	P15/5593	GRANTED	100%
North Bullabulling	P15/5600	GRANTED	100%
North Bullabulling	P15/5601	GRANTED	100%
North Bullabulling	P15/5602	GRANTED	100%
North Bullabulling	P15/5603	GRANTED	100%
North Bullabulling	P15/5604	GRANTED	100%
North Bullabulling	P15/5605	GRANTED	100%
South Bullabulling	P15/5594	GRANTED	100%
South Bullabulling	P15/5595	GRANTED	100%
South Bullabulling	P15/5596	GRANTED	100%
South Bullabulling	P15/5597	GRANTED	100%
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South Bullabulling	P15/5607	GRANTED	100%
South Bullabulling	P15/5608	GRANTED	100%
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South Bullabulling	P15/5615	GRANTED	100%
South Bullabulling	P15/5616	GRANTED	100%
South Bullabulling	P15/5617	GRANTED	100%
South Bullabulling	P15/5618	GRANTED	100%
South Bullabulling	P15/5619	GRANTED	100%
South Bullabulling	P15/5620	GRANTED	100%
North Bullabulling	P15/5904	GRANTED	100%
North Bullabulling	P15/5932	GRANTED	100%

Key to Tenement Schedule

P Prospecting Licence
 E Exploration Licence
 M Mining Lease

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

Coolgardie Minerals Limited

ABN

53 145 676 900

Quarter ended ("current quarter")

30 September 2018

Consolidated statement of cash flows	Current Quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(810)	(810)
(b) development	(267)	(267)
(c) production	-	-
(d) staff costs	(288)	(288)
(e) administration and corporate costs	(590)	(590)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(37)	(37)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	97	97
1.9 Net cash from / (used in) operating activities	(1,895)	(1,895)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(32)	(32)
(b) tenements (see item 10)	(56)	(56)
(c) investments/ Royalty	(150)	(150)
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current Quarter \$A'000	Year to date (3 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 (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(238)	(238)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	4,251	4,251
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	(403)	(403)
3.5	Proceeds from borrowings	355	355
3.6	Repayment of borrowings	(455)	(455)
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	3,748	3,748

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	45	45
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,895)	(1,895)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(238)	(238)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,748	3,748
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,660	1,660

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	1,660	45
5.2	Call deposits	-	-
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)	1,660	45

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

46

-

Director's Remuneration

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

-

-

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Add notes as necessary for an understanding of the position</i>		
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.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	(30)
9.2 Development	-
9.3 Production	(6,335)
9.4 Staff costs	(703)
9.5 Administration and corporate costs	(740)
9.6 Other (provide details if material)*	5000
9.7 Total estimated cash outflows	(2,808)

*Expected gold sale revenue

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				
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:


(Director/Company secretary)

Date: 26/10/2018

Print name: Bradd Granville

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.



COOLGARDIE

MINERALS LIMITED

23 Altona Street
West Perth WA 6005
Telephone: + 61 8 9486 9888
Email: enquiries@cm1.com.au

www.cm1.com.au