

## ASX RELEASE

Monday 31 October 2016

### QUARTERLY REPORT AND APPENDIX 5B FOR THE QUARTER ENDED 30 SEPTEMBER 2016

A-Cap Resources Limited (“A-Cap” or “the Company”) (ASX: ACB) is pleased to provide its Quarterly Activities Report for the quarter ended 30 September 2016.

#### HIGHLIGHTS

- ▲ Mining licence for the Letlhakane Uranium Project granted;
- ▲ Underwritten non-renounceable rights issue completed, raising A\$4 million;
- ▲ Resignation of Mr Harry Stacpoole and Dr Paul Woolrich from the Board;
- ▲ Appointment of Mr Jijing Niu and Mr Chenghu Zhu to the Board;
- ▲ Resource modelling using LUC method across all Project deposits underway.

#### QUARTERLY ACTIVITIES

Following the Company securing approval of the Letlhakane Uranium Project’s (the Project) Environmental Impact Statement (EIS) by the Botswana Department of Environmental Affairs and the grant of provisional surface rights over the Project area by the Mmadinare Sub Land Board during the June 2016 quarter, A-Cap was granted a mining licence for the Letlhakane Uranium Project on the 8<sup>th</sup> September. The Company has been focussing all its efforts since submitting our application for the mining licence in August 2015 to secure the necessary permits, approvals and funding required to take the Project towards development. The mining licence is valid for 22 years and takes effect from 12 September 2016.

As reported in the June 2016 quarterly report, a convertible note agreement entered into on 20 June 2016 between A-Cap and Jiangsu Shengan Resources Group Co Ltd (Jiangsu Shengan) to raise A\$5 million was terminated on 4 July 2016. Jiangsu could not comply with its obligations under the agreement as a result of a determination made by the State Administration of Foreign Exchange, Yancheng Branch that the convertible note investment was not approved.

On 12 July 2016 the Company announced a fully underwritten non-renounceable entitlement offer to shareholders to raise \$A4 million through the issue of 113,636,364 new ordinary shares on the basis of 1 new share for every 6.48 shares held at an issue price of 3.5 cents per share. The offer closed on 25 August 2016 with 10,658,884 shares applied for with the balance of 102,977,480 shares underwritten by Jiangsu Shengan. The underwriter fee of \$119,318 was settled in shares to Jiangsu pursuant to the terms of the underwriting agreement. This followed on from the previous successful non-renounceable entitlement offer completed in February 2016 which raised A\$5 million.

The Shanghai-based Jiangsu Shengan is now the Company’s largest shareholder. As a result of this, two new non-executive directors representing Jiangsu Shengan were appointed to the A-Cap Board, whilst two of the non-executive Directors, Mr Harry Stacpoole and Dr Paul Woolrich resigned from the Board. Mr Stacpoole and Dr Woolrich remain actively involved in the project with both on the A-Cap Project Technical Committee. Their knowledge and experience will continue to be reflected at management level, which is vital to our Company’s future.

A-Cap is continuing its resource modelling work in assessing the implications of the new resource estimate announced on 5 October 2015. The first series of optimisations have been completed and are under review. The optimisations are also concentrating on indicated resources for potential conversion into reserves. The results will be incorporated into further planned studies aimed to further improve the technical and economic outcomes of the Project.

It has been a highly successful quarter for the Company, having secured our permitting and funding objectives we had set out to achieve with the support of the Botswana government, our Shareholders and dedicated team. The Company is now focussed on finalising the Project's pre-feasibility study and continue the pathway towards early production. The Company is also currently reviewing the requirements necessary to seek admission to the Hong Kong Stock Exchange in order to capitalise on the strong interest in the uranium sector in China.

## LETLHAKANE URANIUM PROJECT

The Letlhakane Uranium Project is one of the world's largest undeveloped Uranium Deposits. The Project lies adjacent to Botswana's main North-South infrastructure corridor that includes a sealed all-weather highway, railway line and the national power grid, all of which make significant contributions to keeping the capital cost of future developments low.

The project has the distinct advantage of having all the major infrastructure in place and is one of the few major undeveloped uranium projects in the world capable of being in production in 3 years at a low capital cost and competitive operating costs in a safe and stable jurisdiction. The strategy is to prepare the project for early development to enable the Company to fully capitalise on an expected recovery in the uranium price.

### Mining Licence

On 12 September 2016 A-Cap was granted a Mining Licence designated ML 2016/16L over a portion of PL 45/2004 (Letlhakane) by the Botswana Department of Mines. The Mining Licence is valid for a period of 22 years. The mining licence was granted on the basis of the results of an Environmental Impact Statement and technical study. The technical study was based on shallow open pit mining and heap leach processing to produce up to 3.75 million pounds of uranium per annum over a mine life of 18 years, incorporating the most up to date metallurgical results and process route, optimised mineral resources, mining, capital and operating costs developed by our feasibility specialists in Australia and internationally.

The technical study confirmed that the Project has the right mix of a good resource, low capital and operating costs and is well positioned to be taken into early production, reaping the benefits of projected shortfalls in supply in the uranium market and forecast rising uranium prices.

The outcomes of the technical study were released to the market (refer ASX release 11<sup>th</sup> September 2015) which highlighted the following:

- ▲ Positive economics based on forecast uranium average contract price;
- ▲ Initial construction CAPEX of US\$351 million;
- ▲ Initial working capital of US\$40 million;
- ▲ Pre-tax NPV of US\$383 million at a discount rate of 8% and IRR of 29%;
- ▲ Operating costs of US\$35/lb U<sub>3</sub>O<sub>8</sub> over first 5 years, approximately \$40/lb U<sub>3</sub>O<sub>8</sub> over 18-year process life.

The technical study and financial modelling was completed with the assistance and in collaboration with a world-class team of consultants including Optiro, Cube Consulting, SLR Consulting (South Africa), Kappes Cassiday & Associates, OMC Hydromet and Lycopodium Minerals Pty Ltd.

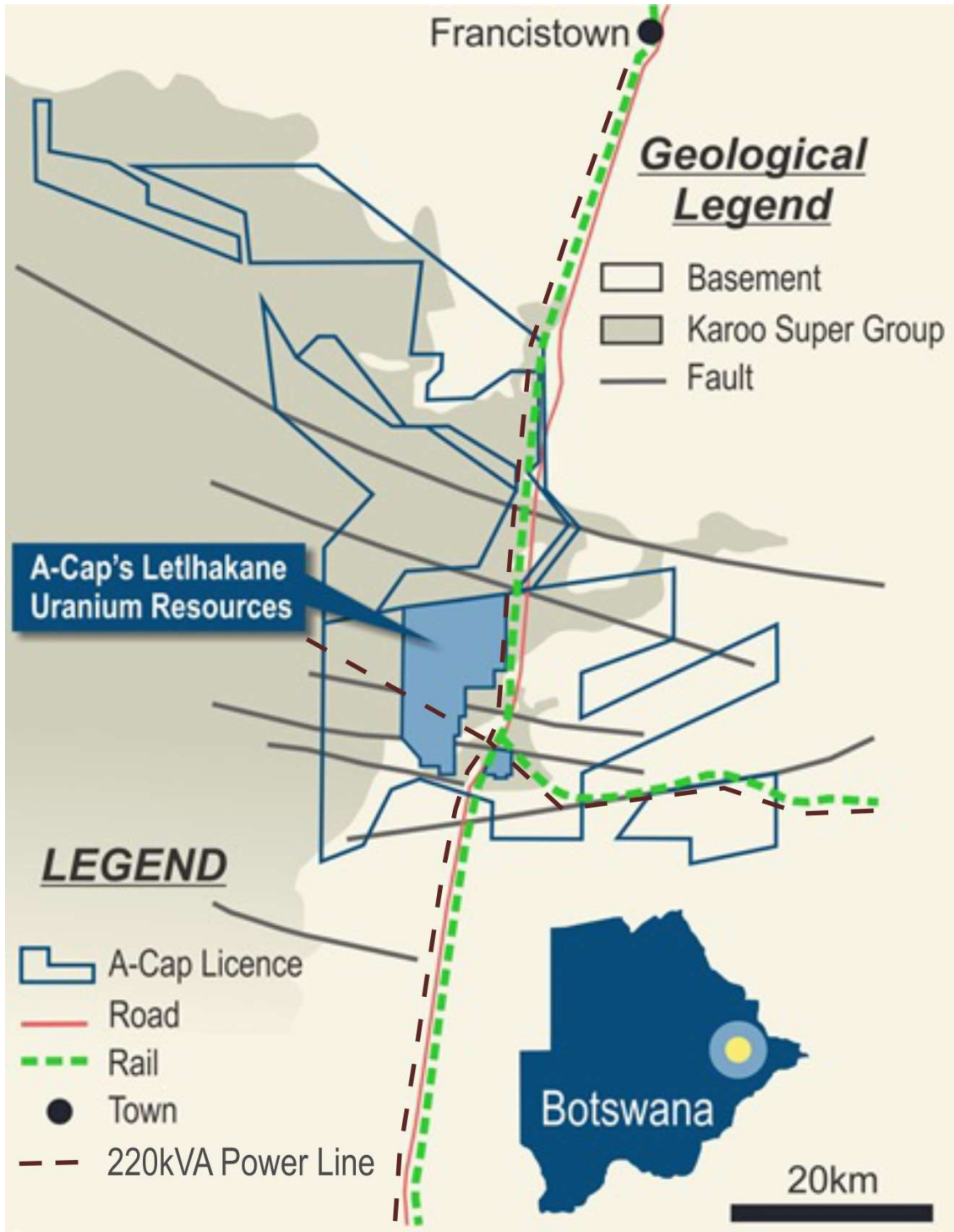


Figure 1: Map of A-Cap's Lethakane Uranium Project

The key parameters for the project are summarised in Table 1 below.

Project Economics		Pre-tax	Post-tax
NPV	US\$	\$383M	\$240M
IRR	%	29%	24%
Pay-back period from start of production	yrs	3	
<b>Capital Costs</b>			
Construction	US\$	351M	
<b>Working Capital</b>			
	US\$	40M	
<b>Inputs &amp; Assumptions</b>			
Price of Uranium (flat price over LOM)	U <sub>3</sub> O <sub>8</sub> US\$/lb	\$81	
Discount rate	%	8%	
Life of mine (LOM)	yrs	18	
<b>Project Summary</b>			
Average Mining cost	US\$/lb	\$18	
Average Processing Cost	US\$/lb	\$23	
<b>Cash Flows</b>		Pre-tax	Post-tax
Total Revenue	US\$	\$3,499M	
Project Cash flow	US\$	\$841M	\$549M

**Table 1:** Summary of outcomes of the technical study

The Technical Study results and production targets reflected in this announcement are preliminary in nature as conclusions are drawn partly from indicated mineral resources and partly from inferred mineral resources. The Technical Study is based on lower level technical and economic assessments and is insufficient to support estimation of ore reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Technical Study will be realised. There is a low level of geological confidence associated with inferred mineral resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that the production target itself will be realised.

## Resources

A-Cap announced on 2 October 2015 a new JORC Mineral Resource Upgrade at Letlhakane completed by Optiro Pty Ltd, an independent expert. The updated resource uses a recoverable resource methodology which takes into account the proposed Standard Mining Unit (SMU). The SMU is defined by the proposed mining method utilising surface miners and the proposed grade control system using in-pit surface gamma radiation measurements.

The Localised Uniform Conditioning (LUC) estimate best reflects the mining methodology envisaged, taking into account the surface miners selective mining capability combined with the proposed grade control methodology. The accurate mining characteristics of surface miners and the ability to measure the gamma radiation on the surface during mining will ensure the optimum grade delivery to the process heap. The SMU of 20m x 4m x 0.25m forms the basis for the LUC estimation. Historic resource estimations were more reflective of conventional open pit mining and therefore had averaged resource data into blocks of bigger mining panels which smoothed or averaged the grade data.

Uniform conditioning (UC) and LUC is used for assessing recoverable resources inside a mining panel when the drill spacing does not provide sufficient coverage for direct grade estimation at the SMU scale. UC provides the proportion of SMUs inside a panel that are above cut-off and its corresponding average grade. LUC takes the UC result and spatially corrects the blocks making it more suited to extraction and optimisation studies.



The global resource estimate is as follows:

Cut-off (U <sub>3</sub> O <sub>8</sub> ppm)	Total Indicated			Total Inferred			Global Total		
	Mt	U <sub>3</sub> O <sub>8</sub> (ppm)	Contained U <sub>3</sub> O <sub>8</sub> (Mlbs)	Mt	U <sub>3</sub> O <sub>8</sub> (ppm)	Contained U <sub>3</sub> O <sub>8</sub> (Mlbs)	Mt	U <sub>3</sub> O <sub>8</sub> (ppm)	Contained U <sub>3</sub> O <sub>8</sub> (Mlbs)
<b>100</b>	197.1	197	85.5	625	203	280.1	822.1	202	365.7
<b>200</b>	59.2	323	42.2	209.7	321	148.2	268.9	321	190.4
<b>300</b>	22.2	463	22.7	81.6	446	80.3	103.8	450	102.9

*Table 2 - 2015 Mineral resource estimates for ALL DEPOSITS at various U<sub>3</sub>O<sub>8</sub> cut-offs*

The 2014 drilling programmes targeted the early optimised shells which typically represents the earliest production potential. Previous results as reported to the ASX during 2014 (August 27th and December 15th) highlighted some of the better grade intersections which would come early on in the potential production sequence. The results of the drilling programme increased confidence in these early production areas within Letlhakane, namely Kraken, Gorgon South and Serule West. The global resource area is 14km long and 11km wide and is divided into the aforementioned main prospect areas. The Letlhakane Uranium Project is divided into prospect areas as defined in the table below:

At a 200 ppm U<sub>3</sub>O<sub>8</sub> cut-off the resource by prospect is:

2015 Mineral resource estimate for the Gojwane and Serule deposits - 200 ppm U <sub>3</sub> O <sub>8</sub> cut off (LUC)												
Ore Type	Deposit	Prospect	Indicated			Inferred			Total			
			Mt	U <sub>3</sub> O <sub>8</sub> ppm	U <sub>3</sub> O <sub>8</sub> Mlbs	Mt	U <sub>3</sub> O <sub>8</sub> ppm	U <sub>3</sub> O <sub>8</sub> Mlbs	Mt	U <sub>3</sub> O <sub>8</sub> ppm	U <sub>3</sub> O <sub>8</sub> Mlbs	
Secondary	Gojwane	Gorgon Main/West	2.0	371	1.6				2.0	371	1.6	
		Mokobaesi	0.1	261	0.0	0.0	202	0.0	0.1	261	0.0	
	<b>Total Secondary</b>	2.1	367	1.7	0.0	202	0.0	2.1	367	1.7		
Oxide	Gojwane	Gorgon Main/West	6.1	313	4.2	9.3	280	5.7	15.4	293	10.0	
		Mokobaesi	3.4	365	2.7				3.4	365	2.7	
		Kraken	3.9	310	2.6	0.7	280	0.4	4.5	306	3.1	
		Gorgon South	4.4	323	3.1	2.6	292	1.6	7.0	312	4.8	
	Serule	Serule East				0.5	246	0.3	0.5	246	0.3	
Serule West		0.4	302	0.2	11.7	322	8.3	12.1	322	8.6		
<b>Total Oxide</b>		18.1	324	13.0	24.8	301	16.4	42.9	311	29.4		
Primary	Gojwane	Gorgon Main/West	15.4	280	9.5	98.2	313	67.7	113.5	309	77.2	
		Mokobaesi	0.5	359	0.4	0.3	330	0.2	0.8	347	0.6	
		Kraken	7.7	350	5.9	1.0	349	0.8	8.7	349	6.7	
		Gorgon South	12.1	337	9.0	22.8	309	15.5	34.9	319	24.5	
	Serule	Serule East				0.4	259	0.2	0.4	259	0.2	
		Serule West	3.3	376	2.8	62.4	345	47.4	65.7	346	50.2	
<b>Total Primary</b>		39.0	321	27.5	185.0	323	131.8	223.9	323	159.4		
<b>Total</b>		59.2	323	42.2	209.7	321	148.2	268.9	321	190.4		

*Table 3 - 2015 LUC resource estimate at 200ppm cut-off.*

A drill spacing study comparison completed by Perth-based resource specialists Optiro on the Kraken deposit confirmed that at a starting drill spacing of 200m by 200m, the change of contained metal is within +/-10% when drilled down to 100m by 50m drill spacing. The current criteria for inferred resources is nominally greater than 100m by 100m drill spacing. A-Cap has confidence that the deposit will retain its mineralisation continuity when it is further drilled out.

### **Metallurgy and Process Design**

The Process Design is based on a 2-stage acid heap leach route for all the primary, oxide and lower mudstone secondary ores with a modified solvent extraction system being the principal uranium recovery method. The process design and uranium recovery has some novel and innovative steps and two patents are under application. This will be an important step in protecting some of the advances the metallurgical study team have made in the uranium recovery process design on the project.

Further process optimisation work to establish acid consumption and uranium recovery related to differences in will commence in the next quarter. This will be part of a greater work process to continually improve the process design and ensure the best possible results are achieved.

### **Mining**

A-Cap is assessing the LUC resource in terms of mining optimisations. The first series of optimisations have been completed and are under review. The optimisations are also concentrating on indicated resources for potential conversion into reserves. The results will be incorporated into further planned studies aimed to further improve the technical and economic outcomes of the Project.

### **Environmental Impact Statement (EIS)**

The Environmental Impact Statement (EIS) for the Letlhakane Uranium Project has been approved by the Botswana Department of Environment Affairs (DEA) in accordance with Section 12 (1a) of the Botswana Environmental Assessment Act, No.10, of 2011. This is a major milestone for A-Cap and its flagship Uranium Project. The DEA formally approved the EIS on 13 May 2016 following a four-week public review process pursuant to the Environmental Act 2011.

A-Cap first commenced work on the environmental study in January 2009, finalising and submitting the report in April 2015. The study identified the overall environmental and social impacts associated with developing a uranium mine in Botswana. The EIS process and documentation was prepared by independent experts SLR Consulting (Africa) (Pty) Ltd (SLR), in conjunction with Botswana-based consulting firm Ecosurv (Pty) Ltd. SLR and Ecosurv completed a professional study process comprising of a screening phase, scoping phase and a detailed impact assessment / environmental management phase, conforming with best practice and IFC guidelines.

### **Surface Rights and Community Engagement**

Provisional surface rights were granted on 6 June 2016 over the 144sqkm area covering the Letlhakane Uranium Project. The surface rights are provisional upon compensation for the affected land rights holders in the area being resolved. A series of meetings in October with the community Kgotlas at Serule and Gojwane were extremely well attended and the demarcation of the mining licence boundary was discussed. The Resettlement action plan (RAP) was also discussed and once demarcation is complete, discussions with directly affected parties will commence in conjunction with relevant government departments and the land boards. A-Cap has continuously engaged the community since 2006 and have received ongoing support for the Project from all surrounding communities.

## **COAL PROJECTS**

A-Cap's Coal projects consists of the Foley Coal Project (which comprises two PLS Foley PL125/2009 and Bolau PL138/2005) and the Mea Coal Project (PL134/2005). The Company is currently considering options to release value and monetise the coal tenement assets through joint venture participation, corporate re-organisation and assets sale.

## **BASE METALS**

The base metal tenements overlay the inferred extents of the Kaapvaal Craton. The Kaapvaal Craton in South Africa is host to a number of platinum and PGEs, iron ore and manganese mines. Whilst ensuring A-Cap continues to meet our commitments in preserving these prospecting licences, A-Cap is currently considering options to release value and monetise these base metals tenements through joint venture participation and corporate re-organisation.

## SCHEDULE OF INTEREST IN MINING TENEMENTS

Tenement	Location	Percentage Holding	Title Holder
Letlhakane ML 2016/16L	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Letlhakane PL 45/2004	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Mea PL 134/2005	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Bolau PL 138/2005	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Foley PL 125/2009	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Hukuntsi 002/2014	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Hukuntsi 003/2014	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Hukuntsi 004/2014	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Werda 005/2014	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Kokong 006/2014	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Kokong 007/2014	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Kokong 008/2014	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Salajwe 009/2014	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Salajwe 010/2014	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Salajwe 011/2014	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Jwaneng 012/2014	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Jwaneng 013/2014	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Sojwe 014/2014	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Sojwe 015/2014	Botswana	100	A-Cap Resources Botswana (Pty) Ltd

## CORPORATE

During the quarter ended September 2016:


- ▲ On 6 July 2016 A-Cap advised that the settlement of the convertible note was not approved by the State Administration of Foreign Exchange, Yancheng Branch, China which resulted in the convertible note agreement being terminated on 4 July 2016.
- ▲ On 28 July 2016 A-Cap issued 1,718,456 ordinary fully paid shares to directors and consultants in lieu of fee reductions.
- ▲ On 12 August 2016 A-Cap issued 3,685,210 ordinary fully paid shares to consultants pursuant to director service agreements.
- ▲ On 25 August 2016 the non-renounceable entitlement offer to shareholders closed, with A-Cap receiving applications for 10,658,884 ordinary shares, raising \$373,061, and resulting in a shortfall of 102,977,480 ordinary shares. New shares were allotted on 31 August 2016.
- ▲ On 1 September 2016 102,977,480 ordinary shares were allotted to Jiangsu Shengan following settlement of \$3,604,212 for shortfall shares under the non-renounceable entitlement offer pursuant to an Underwriting Agreement.
- ▲ On 7 September 2016 3,409,091 ordinary shares were allotted to Jiangsu Shengan as settlement for the underwriting fee of \$119,318 for the non-renounceable entitlement offer. The shares were allotted pursuant to the prospectus dated 26 July 2016 and an underwriting agreement between A-Cap and Jiangsu Shengan.
- ▲ On 7 September 2016 the Company received a notice from Jiangsu Shengan advising of a change of its relevant interests in the Company from 34.34% to 41.67%;

- ▲ On 19 September 2016:
  - Mr Harry Stacpoole resigned as Independent Non-Executive Director of A-Cap;
  - Dr Paul Woolrich resigned as Executive Director of A-Cap;
  - Mr Jijing Niu was appointed as Non-Executive Director of A-Cap;
  - Mr Chenghu Zhu was appointed as Non-Executive Director of A-Cap.
- ▲ On 27 September 2016 A-Cap released its 2016 Annual report to Shareholders;

Following the end of the quarter:

- ▲ On 3 October 2016 the Company disclosed a new services agreement and variations to existing services agreement between A-Cap and related entities.
- ▲ On 5 October 2016 455,252 ordinary fully shares were issued in lieu of reductions in director fees pursuant to the Director Share Plan approved by shareholders on 30 November 2015. 227,626 ordinary fully paid shares were issued in lieu of reductions in fees pursuant to the Company's Cost Reduction Plan.
- ▲ On 18 October 2016 the Company released its Notice of Annual General Meeting to shareholders which will be held on 18 November 2016 at the Offices of Ashurst Australia, Brisbane.

At quarter end, the Company held cash totalling \$7.28 million.



Paul Thomson  
CHIEF EXECUTIVE OFFICER

Competent person's statement

*Information in this report relating to Mineral Resources is based on information compiled by Mr Ian Glacken, the Principal Consultant of Optiro Pty Ltd and a Fellow of the AusIMM. Mr Glacken has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person under the 2012 Edition of the Australasian Code for reporting of Exploration Results Mineral Resources and Ore Reserves. Mr Glacken consents to the inclusion of the data in the form and context in which it appears.*

*Information in this report relating to Uranium Exploration results, is based on information compiled by Mr Ashley Jones a full-time employee of A-Cap Resources Limited and a member of AusIMM. Mr Jones has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person under the 2012 Edition of the Australasian Code for reporting of Exploration Results Mineral Resources and Ore Reserves. Mr Jones consents to the inclusion of the data in the form and context in which it appears.*

*The information presented in this report related to coal resources is based on a geological model that was produced in October 2014. Mrs L. de Klerk (BSc, MSc, Pr.Sci. Nat No. 400090/08, GSSA). Mrs L. de Klerk is Managing Director and Geologist with DK Exploration and has determined coal resource estimates for PL125/2009. Mrs de Klerk has over 12 years industry experience involving modelling and assessing coal resources, which is sufficient relevant experience for the style of mineralisation and type of deposit under consideration and to the activity to which she is undertaking 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". Mrs de Klerk consents to the inclusion in the report of the matters based on information in the form and context in which it appears.*

\*\*\*Ends\*\*\*

For Further information contact:  
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## 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

A-CAP RESOURCES LIMITED

### ABN

28 104 028 542

### Quarter ended ("current quarter")

30 SEPTEMBER 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(351)	(351)
(b) development	-	-
(c) production	-	-
(d) staff costs	(102)	(102)
(e) administration and corporate costs	(328)	(328)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	20	20
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(762)</b>	<b>(762)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(1)	(1)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	1	1
	(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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	3,977	3,977
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	(44)	(44)
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>3,933</b>	<b>3,933</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	4,109	4,109
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(762)	(762)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,933	3,933
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>7,280</b>	<b>7,280</b>

5. <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	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	1,507	341
5.2 Call deposits	1,473	1,518
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	4,300	2,250
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>7,280</b>	<b>4,109</b>

6. <b>Payments to directors of the entity and their associates</b>	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	262
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	

Director fees and consulting fees

7. <b>Payments to related entities of the entity and their associates</b>	Current quarter \$A'000
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	

## Mining exploration entity and oil and gas exploration entity quarterly report

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

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<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	(320)
9.2 Development	-
9.3 Production	-
9.4 Staff costs	(102)
9.5 Administration and corporate costs	(573)
9.6 Other (provide details if material)	-
<b>9.7 Total estimated cash outflows</b>	<b>(995)</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	NA	-	-	-
10.2 Interests in mining tenements and petroleum tenements acquired or increased	NA	-	-	-



### **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: .....  
(Company secretary)

Date: 31 October 2016

Print name: Nicholas Yeak

### **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.