



March 2017

QUARTERLY ACTIVITY REPORT

Key Highlights

Guanaco Production

- Guanaco mine production was 10,299 Au oz and 12,711 Ag oz in the March quarter 2017. The average cash cost for the quarter was US\$924/AuEq oz; AISC was US\$1,066/AuEq oz and the average realised gold and silver selling prices were US\$1,254/Au oz and \$US18/Ag oz respectively.
- Quarterly production for the past three quarters are in line with the full year guidance of 45,000-50,000 AuEq oz annual production total from the mine.

Casposo Continues Full Commercial Operations

- Austral Gold increased its ownership of the Casposo mine by 19% to 70% during the period with the remaining 30% owned by Troy Resources. Austral has options to acquire the remaining 30% of the project on agreed upon terms within 4 years.
- Recommissioned during the September quarter, the mine has now had two operational quarters. For the March 2017 quarter, total production was 3,487 Au oz and 288,327 Ag oz (100% basis); cash cost was US\$1,058/AuEq oz; AISC was US\$1,353/AuEq oz and the average realised gold and silver selling prices were US\$1,214/Au oz and US\$17/Ag oz respectively. Production attributable to Austral Gold was 2,008 Au oz and 167,777 Ag oz.

Exploration

- A 16 hole exploration program on the San Guillermo property (Chile) was completed. Combined RC/DDH drilling concentrated on testing the potential extension of the Central Vein at Amancaya along strike to the south, where historic drilling had intersected high grade gold. Despite intersecting mineralisation the quartz veins are narrow and are considered insignificant. This work completed the work commitments required under the Option and Sale Agreement entered into with Revelo Resources (TSX-V: RVL) on the San Guillermo property for the first twelve months.

New Plant Construction

- The construction of the agitation leach plant at Guanaco/Amancaya is almost complete. Testing of the grinding circuit is pending connection of the operation to the national grid, via a new transmission line. Once connected, testing of the new plant will begin and full operation is expected during the June quarter 2017.

Amancaya Mine Development

- Administration and maintenance facilities for the new project were largely completed and are being fitted out. Pre-stripping activities for planned future open pit operations have commenced. Work continued on the pre-feasibility study for the combined operation of Amancaya, Guanaco and the new plant at Guanaco, and it is expected to be completed in the June quarter, 2017.

Mergers & Acquisitions

- During the quarter, the Company sold 730,985 shares of Fortuna Silver for proceeds of US\$4.6 million (C\$6.1 million) with a realised 40% return (pre-tax). The shares were acquired upon the exercise of warrants at C\$6.01 per share. There are 344,463 warrants that remain outstanding as of 31 March 2017. These warrants expire in October 2018.

Cash and Debt

- Cash on hand at 31 March 2017 was US\$4 million.
- Total consolidated debt was US\$17 million, of which US\$15.5 million are 3-year financial leases with local banks in Chile. US\$7 million is repayable within the next twelve months.

Property Locations

- **Operations**
(Guanaco & Casposo)
- **Projects**
(Amancaya & Pingüino)



CHILE

Guanaco Mine and Amancaya Project

Background

The wholly-owned Guanaco mine remains the Company's flagship asset. Guanaco is located approximately 220km south-east of Antofagasta in Northern Chile at an elevation of 2,700m and 45km from the Pan American Highway. Guanaco is embedded in the Paleocene/Eocene belt, a geological feature which runs north/south through the centre of the Antofagasta region, Chile. Currently, the majority of the production from the Guanaco operation comes from the Cachinalito and Dumbo veins and nearby vein systems with higher average grades.

Gold mineralisation at Guanaco is controlled by pervasively silicified, sub-vertical east/northeast-west/southwest trending zones with related hydrothermal breccias. Silicification grades outward into advanced argillic alteration and further into zones with propylitic alteration. In the Cachinalito vein system, most of the gold mineralisation is concentrated between depths of 75m and 200m and is contained in elongated mineralised shoots. High grade shoots (up to 180 g/t Au), 0.5m to 12.0m wide, have been exploited, but the lower grade halos, below 3 g/t Au, can reach up to 20m in width. The alteration pattern and the mineralogical composition of the Guanaco mineralisation have led to the classification as a high-sulfidation epithermal deposit.

Production

Production from underground operations using the heap leach process generated 10,299 Au oz and 12,711 Ag oz during the quarter ended 31 March 2017. When measured in gold equivalent ounces¹ (AuEq oz) total production was 10,482 AuEq oz compared to 8,977 AuEq oz in the March quarter 2016.

Production for the quarter was concentrated in the Dumbo and Cachinalito extensions.

Gold Equivalent Production

Production	2013 Actual Calendar Year	2014 Actual Calendar Year	2015 Actual Calendar Year	2016 Actual Calendar Year	2017 Budget Calendar Year
Gold (AuEq oz)	51,331	51,068	46,869	44,474	~45-50,000

Production for the calendar year is expected to be in line with historical production at the Guanaco Mine during the last three years; in the order of 45-50,000 oz AuEq. This forecast will be revised once the new plant is fully commissioned and the results of the pre-feasibility study are finalised, both expected in the June quarter, 2017.

The March 2017 quarter operating cash cost² (C1) at Guanaco was US\$924/AuEq oz while the all-in sustaining cost³ (AISC) was US\$1,066/AuEq oz compared to US\$917/AuEq oz and US\$1,147/AuEq oz respectively for the March quarter 2016.

Mining

During the March 2017 quarter, mining continued at the underground operations with a total of 140,133 tonnes mined. The crushed and leached material totalled 145,456 tonnes for the quarter at an average grade of 3.47 g/t Au and 7.6 g/t Ag.

¹ AuEq ratio is calculated at 70:1 Ag:Au

² The operating cash cost (C1) for the Guanaco Mine includes: Mine, Plant, On-Site G&A, Smelting, Refining, and 3% ENAMI Royalty

³ The All-in Sustaining Cost (AISC) for the Guanaco Mine includes: C1, Sustaining Capex, Exploration, and Mine Closure Amortisation

During the quarter, a total of 1,760 metres of underground mine development was advanced, of which 373 metres related to developments and accesses and 1,387 metres to advances in production.

	3 months ending 31 March		9 months ending 31 March	
	2017	2016	2017	2016
Total Material Processed (t)	145,456	135,236	427,304	366,336
Average Plant grade (g/t Au)	3.47	3.3	4.23	3.05
Average Plant grade (g/t Ag)	7.6	9.90	8.39	8.92
Gold produced (oz)	10,299	8,801	36,865	31,454
Silver produced (oz)	12,711	13,548	43,181	34,357
C1 Cash Cost (US\$/AuEq oz)	924	917	685	729
All-in Sustaining Cost (US\$/Au oz)	1,066	1,096	835	881
Realised gold price (US\$/Au oz)	1,254	1,147	1,274	1,136
Realised silver price (US\$/Ag oz)	18	15	17	15

Safety

During this quarter, one lost-time accident (LTA) and zero nil-lost-time accidents (NLTA) were reported involving Guanaco employees and third party contractors. Safety and environmental protection are core values of the Company. The implementation of best practice safety standards along with a sound risk management program are key priorities for Austral Gold.

Mine Exploration Program

Work continued to follow up analysis of hydrothermal alteration minerals encountered in the Dumbo and Cachanilito structures. Work concluded that the presence of illite/smectite in argillic alteration was not concurrent with the high grade precious metals and was most likely a regional effect that predated the high sulphidation mineralisation event. This will be incorporated into ongoing work to prepare a mine exploration drilling program, which is expected to commence later in the year.

3D modeling: The process of creating a 3D model for the Guanaco mine using the Leapfrog software is in process. Complete database of drill holes (1,916 holes) was digitalised and then verified with QA/QC processes in March 2017. QA/QC work is approximately 86% complete.

Amancaya and San Guillermo Properties

Amancaya Project

Activities to advance the Amancaya project were performed during the quarter with the commencement of pre-stripping activities. The new plant is 99.6% completed. The independent pre-feasibility study that was commissioned in September 2016 progressed during the March 2017 quarter and the technical consultants are expected to deliver their final report during June quarter 2017.

Amancaya Project Exploration Activities

In February and March 2017 exploration drilling was conducted at the San Guillermo properties to the immediate south of the Central Vein at Amancaya. This area had been historically drilled by the previous owner with sporadic high grade gold grades reported (such as SG-051: 4m @ 10.6 g/t Au). A total of 4,331 metres in 16 holes were drilled (combined RC and DHH drilling). Results indicate the presence of up to four mineralised structures, mainly in the form of steeply dipping narrow quartz veins with some quartz stockworking, striking NNE. Whilst gold

mineralisation was intersected, given the true widths these are not considered significant. With this program the US\$500k work commitment for first year exploration activities was satisfied, as per the agreement with Revelo Resources (TSX: RVL). For further information refer to the press release from 9 February 2016 at www.australgold.com.

Guanaco/Amancaya Agitation Leach Plant Progress

Construction of the new agitation leach plant (Merrill-Crowe circuit) located at Guanaco was largely finished (99.6%), with only the filters, minor piping and electrical connections incomplete. Wet testing of all tanks has been done. Testing of the grinding circuit and full ramp up testing is pending connection to the national grid. Testing is expected to be completed and the plant fully commissioned during the June quarter, 2017.

Guanaco and Other Mining Properties in Chile - Tenements Status

A complete list of the Guanaco Mine and Amancaya Project mining tenements in which the Company has an interest is presented in **Appendix A**, attached to this report. There have been no changes to the Company's interests in these mining tenements during the quarter. All mining properties are fully owned by the Company through its subsidiaries.

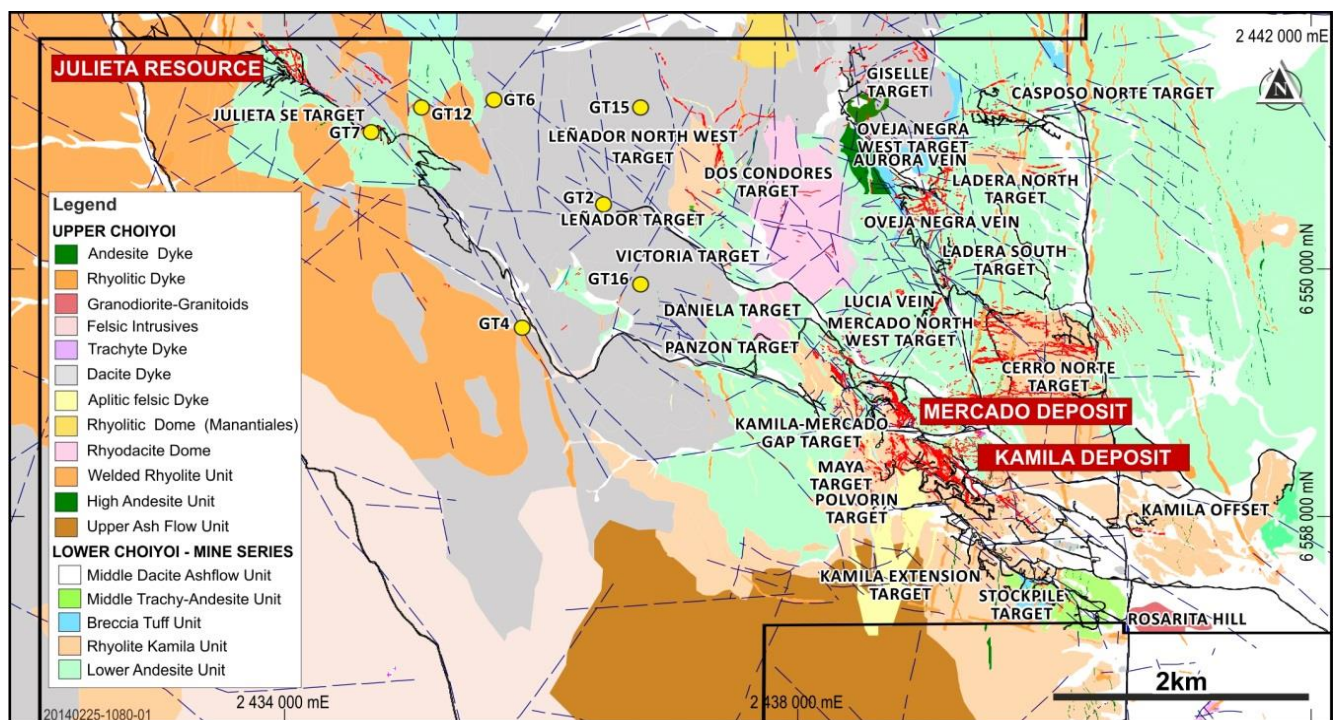
Appendix D lists the San Guillermo mining properties acquired as part of the purchase agreement with Revelo Resources (TSX-V: RVL).

ARGENTINA

Casposo Project

The Casposo project is located in the department of Calingasta, San Juan Province, Argentina, approximately 150km from the city of San Juan, and covers an area of 100.21km². Casposo is a low sulphidation epithermal deposit of gold and silver.

The Cordillera Principal runs along the Chile-Argentine border for approximately 1,500km. It is a volcanically and seismically active zone formed by subduction of the Nazca plate beneath the South American continent. The Casposo gold–silver mineralisation occurs in both the rhyolite and underlying andesite, where it is associated with banded quartz–chalcedony veins, typical of low sulphidation epithermal environments. Post-mineralisation dykes of rhyolitic (Kamila), aphanitic-felsic, and trachytic (Mercado) composition often cut the vein systems. These dykes, sometimes reaching up to 30m thickness, are usually steeply dipping and north–south oriented. Mineralisation at Casposo occurs along a 10km long west–northwest to east-southeast trending regional structural corridor, with the main Kamila Vein system forming a 500m long sigmoidal set near the centre. The Mercado Vein system is the northwest continuation of Kamila and is separated by an east–west fault from the Kamila deposit. The Julieta Zone is located 5km along strike to the northwest of the Kamila and Mercado deposits and is situated within the same regional structural corridor. The Casposo Norte deposit is located on a parallel structure, approximately 2km north of Kamila.



As announced on 7 March 2016, Austral acquired 51% of this project from Troy Resources Limited (ASX: TRY) and entered into a Management Agreement whereby Austral was appointed manager of Casposo with immediate effect. A further 19% has been acquired in early 2017 for US\$1m and a further US\$1m related to VAT credits recovered by Casposo, bringing Austral's total ownership of Casposo mine to 70%. The Company has options to acquire the remaining 30% of the project on agreed upon terms within 4 years.

Production and Safety

The table below summarises the latest two quarter results since the recommissioning of the mine.

Casposo Mine	March Quarter 2017	December Quarter 2016
Total Ore processed (t)	48,602	66,328
Gold recovery (%)	89%	91%
Silver recovery (%)	86%	84%
Average Plant Grade (g/t Au)	2.5	2.3
Average Plant Grade (g/t Ag)	217.75	241.37
Gold produced (oz)*	3,487	4,489
Share of Gold produced (oz)**	2,008	2,289
Silver produced (oz)*	288,327	434,607
Share of Silver produced (oz)**	167,777	221,650
C1 Cash Cost (US\$/AuEq oz)	1,058	969
All-in Sustaining Cost (US\$/AuEq oz)	1,353	1,200
Realised gold price (US\$/Au oz)	1,214	1,212
Realised silver price (US\$/Ag oz)	17	16

* Production on 100% basis

** Calculation of production on a prorata basis following the % ownership interest of Austral Gold in Casposo: March 2017 quarter production (51% share to 5 March; 70% share to 31 March) and December 2016 quarter production (51% share)

Production at Casposo for the March 2017 quarter was impacted by underground operation challenges and some mechanical issues. The Company is working through these and expects to meet production guidance for the year, despite this impact on production. The lower production this quarter has resulted in higher cash costs and AISC for the quarter on a per ounce basis.

Expected production for the calendar year 2017 is 50,000 gold equivalent ounces with a goal of reaching an AISC of US\$957 per ounce, as per the Casposo Gold-Silver Mine Technical Report, dated 7 September 2016, with an effective date of 30 of June 2016 and available on SEDAR under the Company's profile.

From a safety perspective, there were two lost-time accidents (LTA) and two nil-lost-time accidents (NLTA) involving employees of Casposo and third party contractors during the March quarter. Safety and environmental protection are core values of the Company. The implementation of best practice safety standards along with a sound risk management program are key priorities for Austral Gold.

Exploration Activities

During the quarter exploration activities at Casposo consisted mainly of:

- **Regional Mapping:** : Casposo district mapping (1:10,000 scale) reached 12km² of the mine area in order to support future mine exploration activities.
- **Julieta Vein Targeting:** Drill target activities were completed during the period, combining fieldwork (mapping and sampling), re-logging of DDH holes in 25m spaced sections, processing and interpretation of previous (gradient IP) and new (ground mag) geophysics, and a general interpretation of the vein along cross and longitudinal sections.

Julieta vein is a NW-SE structure with an opening/transfer zone in the central area; a horizontal jog called a rhomboidal zone.

Next steps include the design and planning of a drill program to test the complex zone to determine if high grades are continuous and have potential for open pit mining. This is expected to be undertaken by the end of the year.

Casposo Project Properties - Tenements Status

A complete list of the mining tenements in which the Company has an interest is in **Appendix C**, attached to this report. There was no change to the Company's interests in these mining tenements during the quarter. All mining properties are 70% owned by the Company through its subsidiaries.

Pinguino Project

The Company completed the acquisition of Toronto Venture Exchange listed company, Argentex Mining Corporation ('Argentex') on 22 August 2016. Currently, Argentex owns 100% mineral rights of more than 20 properties with over 67,000 hectares of land. These properties are located within two prominent geographical features, the Deseado and Somuncura Massifs, both of which have proven to host significant epithermal precious metal deposits. The large epithermal vein swarm at Pinguino contains Argentex's discovery of indium-enriched vein-hosted base metal mineralisations which represented a new deposit type for the region, as well as low sulphidation precious metal vein mineralisation. The combination of these two types of mineralisation within the same property is unique for the province of Santa Cruz and a significant asset for the Company.

The Silver-Gold-Zinc-Lead-Indium Pinguino project is an advanced stage development project located in south-central Argentina, 300km southwest of the city of Comodoro Rivadavia and 220km northwest of Puerto San Julián. In the last 15 years, six mines have been constructed in Santa Cruz, making it one of the most prolific precious metal provinces in the world, including world class deposits such as Cerro Vanguardia and Cerro Negro.

The Pinguino project lies in a vein field similar but smaller to Cerro Vanguardia some 35kms NW along same controlling structure as Pinguino deposit (225km strike length of veins vs 115 km strike length of veins).

The project has year round access, is close to major infrastructure, has no nearby communities and more than 70% of surface land is owned by the Company.

The Pinguino camp is not yet active but work is being done on the site to prepare it for future activity and the Company is engaging with mining authorities in the region.

Pinguino Project (and surrounds) Properties - Tenements Status

A complete list of the mining tenements in which the Company has an interest is in **Appendix E**, attached to this report. There was no change to the interests in these mining tenements during the quarter. All mining properties are 100% owned by the Company through its subsidiaries.

8 de Julio

No significant activity for the period.

8 de Julio Area - Tenements Status

A complete list of the mining tenements in which the Company has an interest is in **Appendix B**, attached to this report. There have been no changes to the Company's interests in these mining tenements during the quarter. All mining properties are fully owned by the Company through its subsidiaries.

CORPORATE SUMMARY & FINANCIAL PERFORMANCE

Austral Gold had a cash balance of US\$4 million as of 31 March 2017.

Main highlights related to cash flows during the quarter are as follows:

- Cash proceeds from the sale of gold and silver during the quarter were US\$29.8 million of which the Guanaco mine contributed US\$16.1 million and the Casposo mine contributed US\$11.8 million. Recovery of VAT from Casposo operations contributed an additional US\$2.9 million.
- A further 19% interest in the Casposo mine was acquired in early 2017 for US\$1 million in addition to the payment of a further US\$1 million related to the collection of VAT credits outstanding. During the quarter, Austral Gold loaned a further US\$1.8 million to Casposo to finance capital purchases and working capital. A total of US\$4.3 million has been loaned to Casposo since the acquisition in March 2017.
- A final payment of deferred consideration of US\$92k was paid in relation to the 51% acquisition of the underground mining contractor Humberto Reyes. The Company is analysing the acquisition of the remaining 49%.
- Austral Gold held 2,312,000 warrants related to its 2013 purchase of an equity stake in Goldrock Mines Corp (TSX-V: GRM). These warrants converted to Fortuna Silver warrants when that company acquired Goldrock in August 2016 (converted at the acquisition ratio of 0.133133). For the quarter ended 31 March 2017, the Company exercised 238,515 warrants (US\$1.1 million) and subsequently sold 730,985 shares of Fortuna Silver shares for proceeds of US\$4.6 million (C\$6.1 million) with a ~40% realised return (pre-tax). There are 344,463 warrants that remain outstanding as of 31 March 2017.
- The loan receivable from Inversiones Financieras del Sur SA with a balance of US\$2.7 million was fully repaid to Austral Gold on 1 February 2017.
- Austral Gold declared a A\$0.009/share dividend in December 2016 for a total dividend of US\$3.6 million. The dividend was paid on 1 February 2017.
- Staff costs increased for the March quarter mainly due to annual bonuses paid in Chile and Argentina.
- As scheduled, the legal process of collective bargaining with the union was started at the Guanaco mine during the period.

By order of the Board.

Andrew Bursill
Company Secretary

Competent Person's Statement

Dr Robert Trzebski is a Director of Austral Gold Limited. He has a Degree in Geology, a PhD in Geophysics, a Masters in International Project Management and has over 20 years professional experience in mineral exploration, project management and research and development. Dr Robert Trzebski is a member of the Australian Institute of Mining and Metallurgy (AUSIMM) and qualifies as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Robert Trzebski consents to the inclusion of the resources noted in this report.

The numbers presented in this report are unaudited figures and may be subject to minor variation.

Appendices: List of Tenements in which the Company currently has an interest

Appendix A: Guanaco Mine and Amancaya Project (Chile) Tenements

Property Name	Claim Type	Size (hectares)
Mining Concessions under exploration	Constituted Mining Claims	42,814
Loreto I, Loreto II, Loreto III and Loreto IV	Mining claims in process	1,000
Barbara and Flora concessions	Constituted Mining Claims	3,200
Total		47,014

Appendix B: 8 de Julio Site (Argentina) Tenements

Property Name	Claim Type	Size (hectares)
8 de Julio IX	Cateo	7,002
8 de Julio X	Cateo	3,497
Cerro Contreras Norte	Cateo	10,000
Juanguí II	Manifestation of discovery	4,200
Juanguí VII-B	Manifestation of discovery	4,000
Juanguí VI-D	Manifestation of discovery	4,000
Juanguí I	Manifestation of discovery	3,970
Juanguí IV	Manifestation of discovery	3,226
Juanguí I-B	Manifestation of discovery	3,936
Juanguí II-D	Manifestation of discovery	3,740
Juanguí VIII-A	Manifestation of discovery	840
Juanguí VI-C	Manifestation of discovery	3,148
Juanguí III	Manifestation of discovery	4,081
Juanguí IV-F	Manifestation of discovery	2,286
Juanguí I-A	Manifestation of discovery	2,008
Juanguí V	Manifestation of discovery	1,920
Juanguí II-A	Manifestation of discovery	840
Juanguí VI-A	Manifestation of discovery	840
Juanguí VII-A	Manifestation of discovery	840
Juanguí VI	Manifestation of discovery	840
Juanguí IV-A	Manifestation of discovery	840
Juanguí IV-B	Manifestation of discovery	840
Juanguí IV-C	Manifestation of discovery	840
Juanguí IV-D	Manifestation of discovery	840
Juanguí IV- E 1	Manifestation of discovery	840
Juanguí IV- E 2	Manifestation of discovery	840
Juanguí IV- E 3	Manifestation of discovery	840
Juanguí IV- E 4	Manifestation of discovery	840
Juanguí IV- E 5	Manifestation of discovery	840
Juanguí V-A	Manifestation of discovery	840
Juanguí V-B	Manifestation of discovery	840
Juanguí II-C	Manifestation of discovery	638
Juanguí II-B	Manifestation of discovery	615
Barroso Chico I	Manifestation of discovery	840
Barroso Chico II	Manifestation of discovery	840
Total		77,387

Appendix C: Casposo Project (Argentina) Tenements

Property Name	Claim Type	Size (Hectares)
Kamila	Constituted Mining claim	3,497
Julieta	Constituted Mining claim	2,625
Alicia -I	Constituted Mining claim	16
Various	Mining claims in process	16,420
Total		22,558

Appendix D: San Guillermo (Chile) Tenements

Property Name	Claim Type	Size (hectares)
Mining Concessions under exploration	Constituted Mining Claims	8,375
Cepillo Rojo 7D	Mining claims in process	200
Cepillo Rojo 8D	Mining claims in process	100
Cepillo Rojo 11C	Mining claims in process	200
Cepillo Rojo A	Mining claims in process	100
Cepillo Rojo 1D	Mining claims in process	300
Cepillo Rojo 2D	Mining claims in process	300
Cepillo Rojo 3D	Mining claims in process	300
Cepillo Rojo 4D	Mining claims in process	300
Cepillo Rojo 5D	Mining claims in process	300
Cepillo Rojo 6D	Mining claims in process	300
Cepillo Rojo 9D	Mining claims in process	200
Cepillo Rojo 10D	Mining claims in process	200
Cepillo Rojo 12D	Mining claims in process	200
Cabello 11D	Mining claims in process	300
Cabello 12D	Mining claims in process	300
Cabello 13D	Mining claims in process	200
Total		12,175

Appendix E: Pingüino Project (and surrounds) (Argentina) Tenements

Property Name	Claim Type	Size (hectares)
Pingüino		
Tranquilo 1	Manifestation of discovery	3,484
Tranquilo 2	Manifestation of discovery	3,182
Cañadon	Manifestation of discovery	1,827
Pingüino	Manifestation of discovery	1,493
Plata Leon	Cateo	7,500
Other Santa Cruz properties		
Alto Condor	Manifestation of discovery	5,014
Condor Manifestacion de Descubrimiento	Manifestation of discovery	1,500
Diamante 1	Manifestation of discovery	2,906
Diamante 2	Manifestation of discovery	2,862
Contreras Oeste	Manifestation of discovery	2,938
Contreras Este	Manifestation of discovery	1,622
Nuevo Oro 2	Manifestation of discovery	840
Rio Negro		
Mochas 2	Cateo	9,960
Menucos 6	Manifestation of discovery	2,999
Menucos 7	Manifestation of discovery	2,880
Menucos 8	Manifestation of discovery	2,959
Menucos 9	Manifestation of discovery	2,999
Menucos 10	Manifestation of discovery	2,730
Menucos 11	Manifestation of discovery	1,840
Menucos 12	Manifestation of discovery	2,920
Menucos 13	Manifestation of discovery	2,965
Total		67,420

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

AUSTRAL GOLD LIMITED

ABN

30 075 860 472

Quarter ended ("current quarter")

31 March 2017

Consolidated statement of cash flows	Current quarter US\$'000	Year to date (9 months) US\$'000
1. Cash flows from operating activities		
1.1 Receipts from customers/tax credits	29,837	83,466
1.2 Payments for		
(a) exploration & evaluation	(1,061)	(1,740)
(b) development	(4,990)	(9,583)
(c) production	(13,979)	(37,102)
(d) staff costs	(10,633)	(20,055)
(e) royalties paid	(667)	(882)
(f) administration and corporate costs	(3,233)	(12,628)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	2
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	(1,610)	(3,932)
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	(2)	(180)
1.9 Net cash from / (used in) operating activities	(6,338)	(2,634)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(1,899)	(4,154)
(b) tenements (see item 10)	-	-
(c) investments	(2,199)	(8,637)
(d) other non-current assets	-	-

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter US\$'000	Year to date (9 months) US\$'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	4,623	9,971
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	2,720	2,720
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	3,245	(100)

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	-	(13)
3.5	Proceeds from borrowings	-	1,500
3.6	Repayment of borrowings	(1,148)	(2,852)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	(3,645)	(3,645)
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(4,793)	(5,010)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	11,969	11,827
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(6,338)	(2,634)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	3,245	(100)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(4,793)	(5,010)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	4,083	4,083

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 US\$'000	Previous quarter US\$'000
5.1 Bank balances	4,083	11,969
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)	4,083	11,969

6. Payments to directors of the entity and their associates	Current quarter US\$'000
6.1 Aggregate amount of payments to these parties included in item 1.2	608
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	(2,720)
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

7. Payments to related entities of the entity and their associates	Current quarter US\$'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

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end US\$'000	Amount drawn at quarter end US\$'000
8.1 Loan facilities	1,500	1,500
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	15,488	15,488
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.		

8.1 The loan with Banco San Juan is a US\$1.5 million pre-export facility (180 days) at an annual interest rate of 4%.

8.3 The outstanding balance of financial leases from local banks in Chile reached US\$15.5 million at 31 March 2017 (secured, interest rates 3-4%).

9. Estimated cash outflows for next quarter	US\$'000
9.1 Exploration and evaluation	696
9.2 Development	3,219
9.3 Production	14,230
9.4 Staff costs	5,315
9.5 Royalties	45
9.6 Administration and corporate costs	2,002
9.7 Investments	2,128
9.8 Income tax	1,316
9.9 Total estimated cash outflows	28,951

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 (Ha)	Interest at end of quarter (Ha)
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:



(Company Secretary)

Date: 28 April 2017

Print name:

Andrew Bursill

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.