

31 July 2017

## QUARTERLY REPORT – 30 June 2017

Please find attached the Quarterly Activities Report and Appendix 5B for the period ended 30 June 2017.

Yours faithfully  
Cape Lambert Resources Limited

Tony Sage  
**Executive Chairman**

Cape Lambert Resources Limited (ASX: CFE) is a mineral development company with exposure to iron ore, copper, gold, uranium, cobalt, lithium and lead-silver-zinc assets in Australia, Europe, Africa and South America.

**Australian Securities Exchange  
Code: CFE**

Ordinary shares  
833,019,919

Unlisted Options  
23,500,000 (\$0.05 exp 18 Dec 2018)

### **Board of Directors**

Tony Sage  
Executive Chairman

Tim Turner  
Non-executive Director

Jason Brewer  
Non-executive Director

Melissa Chapman  
Company Secretary

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## CORPORATE

### Strategy and Business Model

Cape Lambert Resources Limited (**ASX: CFE**) (**Cape Lambert** or the **Company**) is an Australian domiciled, fully funded, mineral development company. Cape Lambert has interests in several exploration and mining companies, providing exposure to iron ore, copper, gold, uranium, cobalt, lithium and lead-silver-zinc assets in Australia, Europe, Africa and South America (refer Figure 1).

Cape Lambert's strategy is to acquire and invest in undervalued and/or distressed mineral assets and companies (**Projects**) and:

- improve the value of these Projects, through a hands on approach to management, exploration, evaluation and development; and
- retain long-term exposure to these Projects through a production royalty and/or equity interest.

Cape Lambert aims to deliver Shareholder value by adding value to these undeveloped Projects. If Projects are converted into cash, the Company intends to follow a policy of distributing surplus cash to Shareholders.

### Cash Balance

As at 30 June 2017, the Company had approximately A\$1.1 million (including FE Limited cash of A\$423k which is consolidated in accordance with accounting standards) in cash at bank.

### Capital Management

#### **Placement**

During the quarter, the Company completed a placement of 23,333,333 ordinary fully paid shares at \$0,03 to raise funds of \$670k. The funding will be used to advance the Company's cobalt projects in Africa.

### Investments

#### **Sale of Mayoko Royalty**

On 13 February 2017, the Company advised shareholders that it had sold its 100% owned royalty in the Mayoko iron ore project for A\$1,000,000. The sale is subject to the formality of the new owners signing off on the transaction, which is still being progressed.

#### **Cobalt Mining and Tailings Processing Operations - DRC**

On 21 February 2017, the Company announced that it had entered into a Binding Heads of Agreement (**Agreement**) with Congolese company, Paragon Mining SARL (**Paragon**) to form a 50/50 Joint Venture (**JV**) to develop the Kipushi Cobalt Copper Tailings Project, the Kasombo Copper-Cobalt Projects and operate the Kipushi Processing Plant in the Democratic Republic of Congo (**DRC**).

The Company agreed to pay the following consideration to its DRC based advisors and lawyers, Pelesa and Associates, who facilitated the origination, structuring and management of the proposed acquisition and the Vendors:

- i. US\$50,000 payable on execution of a binding heads of agreement;
- ii. US\$100,000 and the issuance of 90,000,000 fully paid Ordinary Shares in the Company, within five business days of the Company executing the JV Agreement;
- iii. US\$150,000 and the issuance of 50,000,000 fully paid Ordinary Shares in the Company, within five business days of the Company achieving first production at any of the projects; and
- iv. the Company granting a 1.00% royalty on all of the Company's attributable revenue from the projects to Pelesa and Associates.

On 12 May 2017, the Company held a general meeting to approve the issue of 90,000,000 shares as consideration upon signing the JV Agreement and proceeded to issue these shares on 7 June 2017.

On 17 May 2017, the Company announced that it had executed the joint venture agreement with Paragon. The incorporation of the new joint venture company "Soludo-Lambert Mining SAS" is currently being processed by the Company's lawyers, to be completed in the September quarter 2017, whereafter the key licences and permits will be transferred to it.

#### **a. Off-Take and Funding Negotiations**

On 22 June 2017, the Company announced that it had appointed UK-based strategic advisor Metals Risk Management Limited to assist it with finalising its concentrate offtake and funding arrangements for its copper-cobalt projects. Metals Risk Management is a specialist risk advisory company providing independent guidance on price risk management, including concentrate offtake agreements and sales and commodity linked funding structures.

#### **b. Assignment of Kasombo Project to Fe Limited**

Subsequent to the quarter end, the Company announced that it had entered into a binding terms sheet (**Term Sheet**) with Fe Limited (**FEL**) whereby Cape Lambert will assign to FEL 100% of the rights and obligations it has in the Kasombo Copper-Cobalt Project (**Kasombo Project**) (**Transaction**) (Refer ASX announcement dated 13 July 2017).

In consideration for Cape Lambert assigning its rights in the Kasombo Project to FEL, FEL agreed to:

- issue 25 million fully paid ordinary shares in FEL at a deemed issue price, equal to the volume weighted average closing price of FEL shares as quoted on ASX over the last five (5) trading days immediately preceding the execution of the Terms Sheet, to Cape Lambert (**Consideration Shares**);
- a \$50,000 payment on execution of this Terms Sheet;
- \$75,000 on the date which is three (3) months after the settlement date; and
- issue 10 million fully paid ordinary shares in FEL at a deemed issue price, equal to the volume weighted average closing price of FEL shares as quoted on ASX over the last five (5) trading days immediately preceding the execution of the Terms Sheet, to the facilitator of the Transaction (**Facilitator Shares**).

Settlement of the Transaction is conditional upon:

- (a) completion of legal, technical and financial due diligence by FEL on or before 18 August 2017;
- (b) FEL receiving shareholder approval in relation to the Transaction including approval to issue:
  - I. the Consideration Shares to Cape Lambert (in accordance with Item 7 of Section 611 of the Corporations Act if required); and
  - II. the Facilitator Shares to the facilitator of the Transaction;
- (c) completion of the Kasombo Transfer to the JV Company in accordance with the terms of the JV Agreement;
- (d) execution by the relevant parties of a formal agreement to more fully document the Transaction; and
- (e) receipt of consent from all relevant parties in respect of the Transaction,

Each of the above conditions are to be completed on or before 30 September 2017, unless otherwise waived or extended by the Cape Lambert and FEL.

During the period to settlement of the Transaction, Cape Lambert will continue with its obligations under the JV agreement with Paragon for conducting the exploration works at the Kasombo Project, with all expenses incurred reimbursed to Cape Lambert by FEL within 7 days of Settlement.

### Kitwe Tailings Project – Zambia

On 22 May 2017, the Company announced that it had executed a binding terms sheet to conditionally acquire 70% of the shares in Zambian entity Australian Mining Company Zambia Limited (**Seller or AMCZL**), which is the holder of exploration licence No 21853-HQ-SEL (**Licence or Kitwe Project**) (**Acquisition**). The Licence covers an historic cobalt-copper rich tailings dump located near Kitwe in Zambia (refer ASX announcement dated 22 May 2017).



Location of the Kitwe Cobalt-Copper Tailings Project



Location of Licence No 21853-HQ-SEL

The Kitwe Project is located approximately 3km from the outskirts of Kitwe, in the Copperbelt region of Zambia. Kitwe is the second largest city, in terms of size and population, in Zambia and is one of the most developed commercial and industrial areas in the nation, alongside Ndola and Lusaka. The Copperbelt is centred around the towns of Ndola, Kitwe, Chingola, Luanshya and Mufulira – a string of towns on Zambia's northern border with the Democratic Republic of Congo.

Under the terms of the Binding Terms Sheet, Cape Lambert paid US\$25,000 on execution of the Terms Sheet. On executing the Terms Sheet, Cape Lambert will have 6 months to decide whether it wishes to exercise an option to expend US\$500,000 within 6 months from the date of exercising the option (Option).

If Cape Lambert does not exercise the Option, or fails to spend the US\$500,000 within the 6 months option period, then the 70% shareholding will be returned to the Seller.

Should Cape Lambert satisfy the requirements of the Option, then the Seller will also be entitled to Milestone Payments as follows:

- a) US\$50,000 upon AMCZL receiving environmental approvals in the respect of the Project
- b) US\$50,000 upon AMCZL being granted a mining licence in respect of the Project;
- c) US\$50,000 upon AMCZL receiving an export licence.

Upon completion of the Acquisition Cape Lambert will be responsible for managing and funding the development of the Project, with the Seller having a “Free Carry” until a “Decision to Mine” at the Project.

The Acquisition was subject to Cape Lambert completing due diligence on AMCZL and the Project, which it completed by 6 June 2017 (refer ASX announcement dated 6 June 2017)

and the execution of a share sale agreement, to be completed by 31 May 2017, or as extended by agreement of the parties. The execution of the share sale agreement was subsequently extended to 18 August 2017.

### **Timis Mining Corporation Royalty**

As previously announced, Cape Lambert will receive a royalty of US\$2 per tonne of iron concentrate (**Royalty**) exported from the Timis Marampa Iron Ore Mine (**Mine**), which is payable on a quarterly basis. The Royalty of US\$2 per tonne is payable on production of 24mt from the Mine. There has been no developments during the quarter.

### **Timis Mining Corporation Bridging Finance**

The Company provided Bridging finance of US\$8 million to Timis Mining which was repayable to the Company in October 2015 and incurs interest of 3 month US LIBOR (London interbank offered rate) + 6%. The principal and interest was due to be repaid to Cape Lambert in one payment on 21 October 2015 and could be extended by the parties on mutually agreed terms.

In May 2017, the Company announced that it had commenced legal action against Gerald Metals, Timis Mining Corporation, Frank Timis and others (jointly the **Defendants**) in the High Court of Sierra Leone seeking damages and injunctions against the Defendants (refer ASX announcement dated 15 May 2017), with an interim injunction subsequently granted (refer ASX announcement dated 19 May 2017).

Subsequent to the quarter end, the Company announced that the High Court of Sierra Leone issued a Court Order in relation to the Notice of Motion lodged by the Plaintiff, which ordered the Parties to proceed to Arbitration if desired, refused the 4th Defendant's application for a stay of proceedings and maintained the interlocutory injunction against the 1st, 2nd and 3rd Defendants that prevents liquidating the 4th Defendant's company, pending the hearing and determination of the matter (refer ASX announcement dated 7 July 2017).

The Company is presently in discussions with the Defendants in regards to proceeding to Arbitration.

## **PROJECTS**

### **Marampa (100% interest)**

Marampa is an iron ore project at the development stage, and is located 90 km northeast of Freetown, Sierra Leone, West Africa (**Marampa** or **Marampa Project**) (refer Figure 2). Marampa comprises one granted mining licence (ML05/2014) comprising 79.40km<sup>2</sup> and one granted exploration licence EL46A/2011 – 159.78 km<sup>2</sup> held by Marampa Iron Ore (SL) Limited, which is indirectly, a wholly owned subsidiary of Cape Lambert.

The Marampa Project remains under care and maintenance.

### **Dempsey Resources (100% interest)**

Dempsey Resources holds the Kukuna Iron Ore Project located in Sierra Leone (**Kukuna** or **Kukuna Project**).

The Project is located 120 km northeast of Freetown in the northwest of Sierra Leone and consists of one exploration licence (EL22/2012) covering 68km<sup>2</sup> (refer Figure 2). The licence is located 70km due north of the Marampa Project and the Pepel Infrastructure and comprises rocks that correlate with the Marampa Group stratigraphy known to host specular hematite mineralisation.

The Kukuna Project remains under care and maintenance.

### **Kipushi and Kasombo Copper-Cobalt Projects (JV with Paragon Mining SARL)**

The Kipushi Cobalt Copper Tailings Project consists of a tailings dam located on PE 12347 and the Kipushi Processing Plant located adjacent mining licence PE481 (**Kipushi Project**), while Kasombo Copper-Cobalt Project consists of 3 mineralised areas of approximately 600Ha (Kasombo 5, 6 and 7) located within mining licences PE 481 and PE4886), refer Figure 2. Both projects are located approximately 25km from Lubumbashi, the second largest city in the Democratic Republic of Congo (**DRC**). The Company has a 50/50 joint venture agreement with Paragon Mining SARL (**Paragon**) to develop the projects (refer to ASX announcement dated 3 May 2017 for details of the joint venture arrangement).

#### ***Kipushi Project***

The Company has previously reported that it was undertaking metallurgical testwork on the Kipushi tailings at the laboratory of Mintek in South Africa. This test work programme is primarily aimed at a) characterisation of the tailings material by mineralogical and chemical analyses b) production of a bulk copper/cobalt flotation concentrate grading initially 10-12% copper and greater than 2% cobalt; and c) preliminary scoping work on leaching and gravity concentration as potential alternative or supplemental processing routes.

Insufficient sample was available to complete the optimisation of the Mintek flotation test work, so further sample was collected from the Kipushi tailings dam late in the quarter and despatched to Mintek.

Gravity concentration testwork undertaken by Mintek on the unmilled tailings confirmed that there would not be any financial benefit in installing an upfront gravity plant to produce concentrate.

The Company has also despatched part of the samples collected late in the quarter to Axis House in Cape Town, South Africa. Axis House is a major supplier and distributor of chemicals to the mining industry have fully equipped laboratories, with milling, flotation, sedimentation, leaching and analytical equipment, that enables it to accurately benchmark alternate reagent suites against each other to optimise process recoveries. Axis House had previously conducted testing on the Kipushi tailings and had achieved the bulk concentrate grades noted above. The testwork at Axis House has commenced and the results are awaited.

#### ***Kasombo Project***

The DRC office of geological consultants SRK were commissioned to assist with undertaking the preliminary exploration work at the Kasombo Project, which includes a desktop study on the available information from La Generale Des Carrieres Et Des Mines S.A. (**Gecamines**), the holder of the mining licences, as well as undertaking detailed mapping of the Kasombo 5, 6 and 7 area. This work will commence late July 2017.

### **Cote D'Ivoire (100% interest)**

Metals Exploration Cote D'Ivoire SA Limited is a wholly owned subsidiary of Cape Lambert Resources. The Company holds three tenements in the highly prospective Birimian Gold Belt of Cote D'Ivoire. The tenements are named Boundiali North (400km<sup>2</sup>), Katiola (400km<sup>2</sup>) and Bouake (400km<sup>2</sup>) for a total land position of 1,200km<sup>2</sup> (**Tenements**).

The Company announced during the March 2016 quarter (refer to ASX announcement of 23 March 2016) that it had executed a sale and purchase agreement with a subsidiary of Newcrest Mining Limited (Newcrest) for the sale of its Tenements.

The Sale remains subject to Newcrest receiving approval from the Minister of Mines for the transfer of the Licences, which was pending the renewal of the tenements to occur, which were issued late in the March 2017 quarter. The fees for transferring the Licences were paid during the quarter with the paperwork now with the Minister of Mines for sign off.

### **Mining International Pty Ltd (100% Interest)**

Mining International Pty Ltd (**Mining International**), is a wholly owned subsidiary of Cape Lambert. The Company holds tenure to 4 mining leases (which were excluded from the sale of the Leichhardt Copper Project) and 4 granted exploration permits for minerals (EPM's) at the Wee MacGregor Project located 40 km southeast of Mt Isa in Queensland (refer Figure 4).

The tenements are located within in the Eastern Fold Belt of the Mt Isa inlier. The eastern-most tenements are located in the Mary Kathleen Zone/Wonga Subprovince. The western group of tenements are located in the Kalkadoon Leichhardt Belt. These areas are prospective for a variety of deposit types, most notably structurally controlled epigenetic copper and gold deposits.

During the quarter the Mining International provided Queensland Native Title Services (QNTS) with a draft Cultural Heritage and Management Agreement (**CHMA**) for MLs 2504, 2773 and 90098 with the Kalkadoon Native Title Claimants (**Kalkadoon**). A response is awaited back from the Kalkadoon.



**Figure 1: Group Structure June 2017**

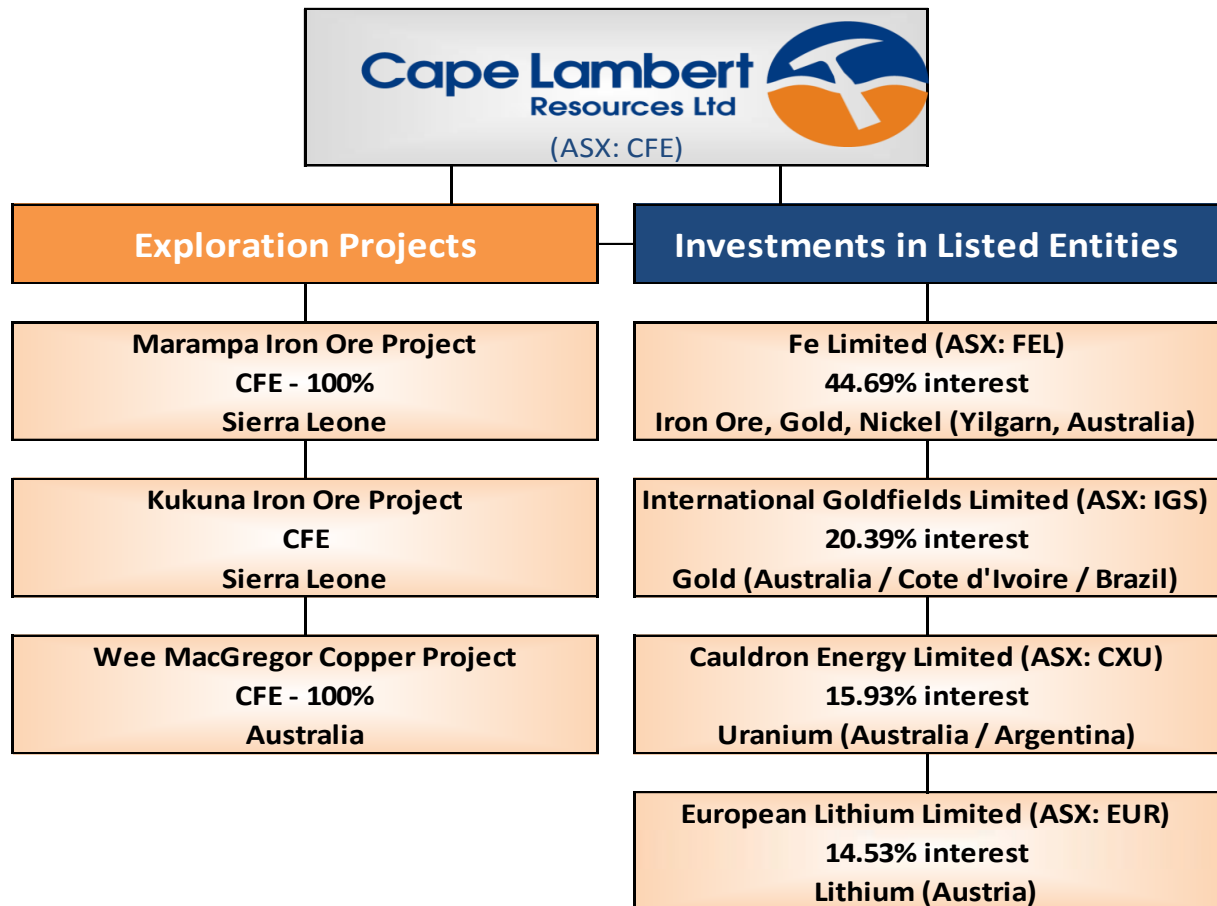


Figure 2: Cape Lambert West African Iron Ore Interests

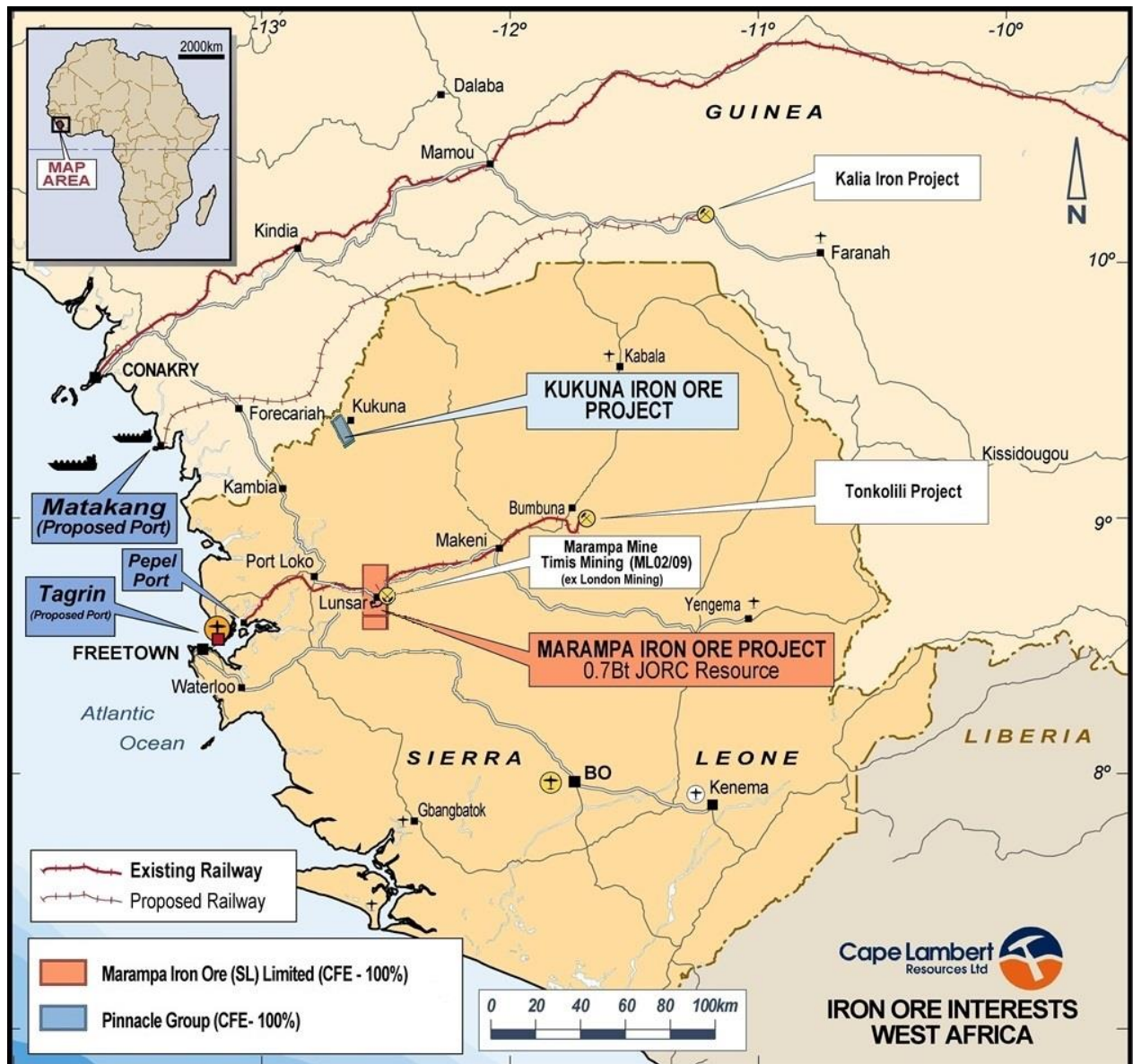


Figure 3: Location of the Kipushi Project and Kasombo Project

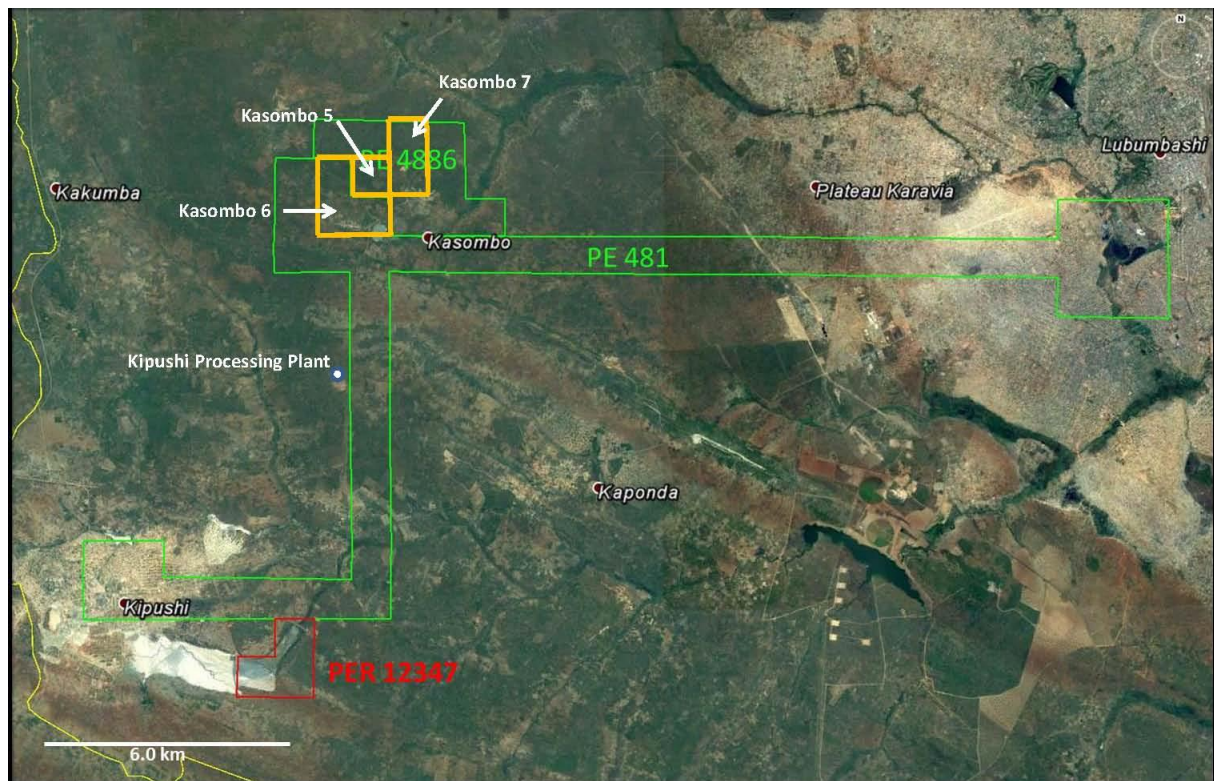
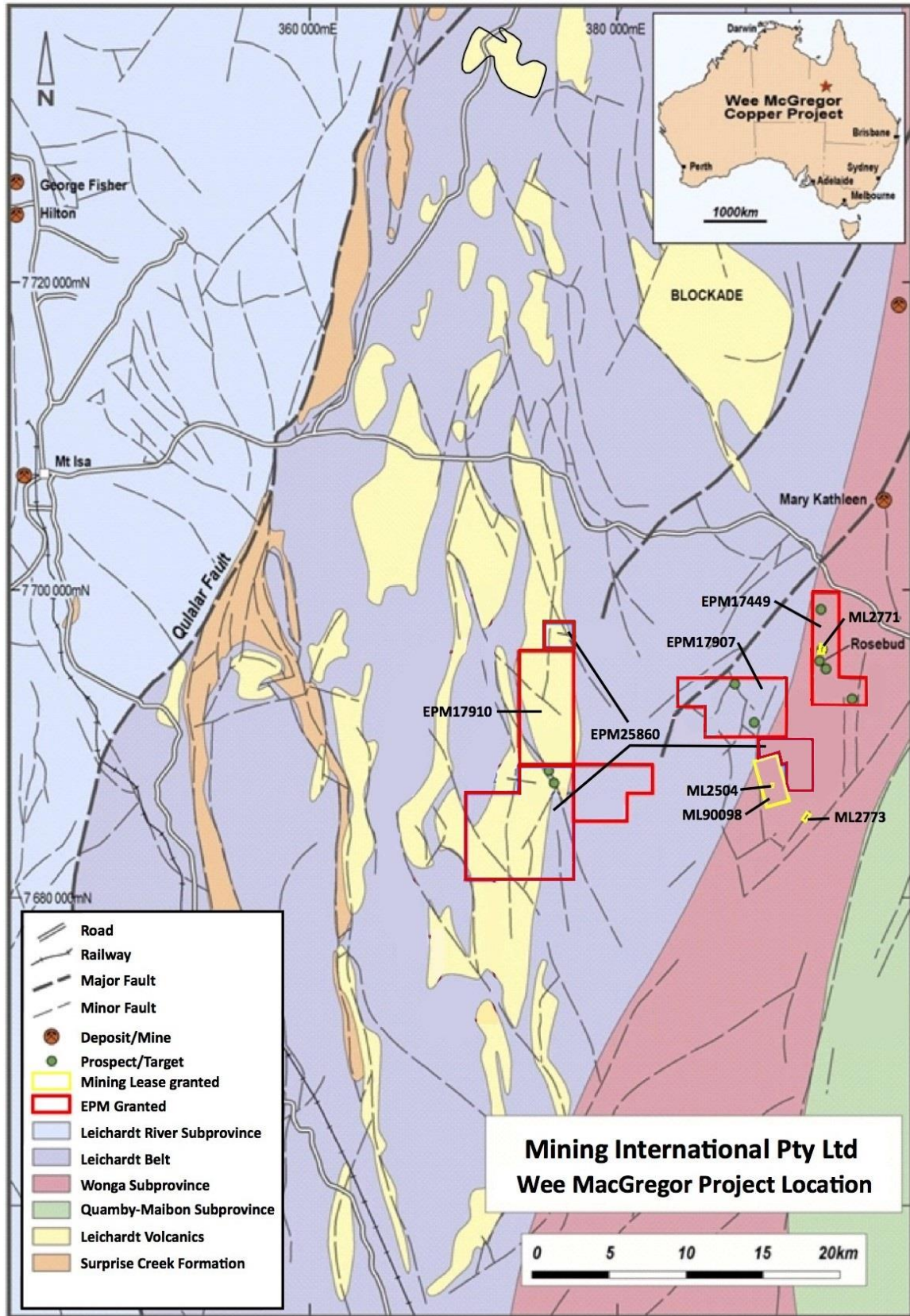


Figure 3: Wee MacGregor Project Location



## Appendix 1: Tenement Status

The mining tenements held at the end of each quarter, acquired and disposed of during the quarter and their location:

Tenement reference	Project & Location	Acquired interest during the quarter	Disposed interest during the quarter	Interest at the end of quarter
Marampa Project - EL 46A/2011	Lunsar - Sierra Leone	-	-	100%
Marampa Project – ML 05/2014	Lunsar - Sierra Leone	-	-	100%
Kukuna Project - EL 22/2012	Kukuna – Sierra Leone	-	-	100%
Cote D'Ivoire Projects - EL 284*	Katiola - Cote D'Ivoire	-	-	100%
Cote D'Ivoire Projects - EL 285*	Boundiali North – Cote D'Ivoire	-	-	100%
Cote D'Ivoire Projects - EL 286*	Bouake – Cote D'Ivoire	-	-	100%
EPM 17449	Wee MacGregor - Queensland	-	-	100%
EPM 17907	Wee MacGregor - Queensland	-	-	100%
EPM 17910	Wee MacGregor - Queensland	-	-	100%
EPM 25860	Wee MacGregor - Queensland	-	-	100%
ML 90098	Wee MacGregor - Queensland	-	-	100%
ML 2504	Wee MacGregor - Queensland	-	-	100%
ML 2771	Wee MacGregor - Queensland	-	-	100%
ML 2773	Wee MacGregor - Queensland	-	-	100%
21853-HQ-SEL <sup>1</sup>	Zambia	-	-	-
PER 12347 <sup>2</sup>	Kipushi – DRC	-	-	-
PE 4886 <sup>2</sup>	Kasombo – DRC	-	-	-
PE 481 <sup>2</sup>	Kasombo – DRC	-	-	-

\* pending transfer to a subsidiary of Newcrest Mining Limited

<sup>1</sup> Completion of this transaction is in progress, Refer to ASX announcements for extent of interest.

<sup>2</sup> Completion of this transaction is in progress, , Refer to ASX announcements for extent of interest.

There were no mining tenements with beneficial interest earned/lost in farm-in/farm-out agreements at the end of the quarter.

## Appendix 5B

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

**Name of entity**

Cape Lambert Resources Limited

**ABN**

71 095 047 920

**Quarter ended ("current quarter")**

30 June 2017

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation <sup>1</sup>	(429)	(2,360)
(b) development	-	-
(c) production	-	-
(d) staff costs	(100)	(353)
(e) administration and corporate costs	(628)	(3,322)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	34
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other		
(a) FEL: Recovery of reverse-takeover transaction costs	-	100
(b) Legal fees recovery of asset	-	(167)
(c) Movement of funds to restricted	(32)	(32)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,186)</b>	<b>(6,100)</b>

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10) <sup>1</sup>	(34)	(99)
	(c) investments <sup>2</sup>	-	(318)
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	41
	(b) tenements (see item 10)	-	-
	(c) investments <sup>2</sup>	-	676
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(34)</b>	<b>300</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	670	1,370
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	-	(38)
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)	-	(66)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>670</b>	<b>1,266</b>

+ See chapter 19 for defined terms.

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>	(550)	(4,534)
4.1	Cash and cash equivalents at beginning of period	1,664	5,615
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,186)	(6,100)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(34)	300
4.4	Net cash from / (used in) financing activities (item 3.10 above)	670	1,266
4.5	Effect of movement in exchange rates on cash held	(3)	30
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,111</b>	<b>1,111</b>

<sup>1</sup> Includes the reallocation of cobalt expenses from operating to investing (acquisition costs) and exploration and evaluation expenditure.

<sup>2</sup> Includes an adjustment in the year to date figures for the allocation between the acquisition and disposal of investments, the total remains unchanged.

<b>5. Reconciliation of cash and cash equivalents</b>		<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts			
5.1	Bank balances	1,111	1,664
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,111</b>	<b>1,664</b>

Includes the consolidation of FE Limited (per the audited accounts) which has a current quarter closing cash balance of A\$423k.



**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
222
-

Director payments are inclusive of GST and exclude the reimbursement of expenses

Excluding payments to Directors of FE Limited

**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
156
-

Payments included in item 7.1 are inclusive of GST and relates to payments to director-related parties for office occupancy and corporate hospitality costs.

Excluding payments to related entities of FE Limited

**8. Financing facilities available**

*Add notes as necessary for an understanding of the position*

- 8.1 Loan facilities
- 8.2 Credit standby arrangements
- 8.3 Other (please specify)

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
-	-
-	-
-	-

- 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.

Not applicable

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	(550)
9.2 Development	-
9.3 Production	-
9.4 Staff costs	(100)
9.5 Administration and corporate costs	(800)
9.6 Other (sale of royalty)	1,000
9.6 Other (proceeds from issue of shares)	60
<b>9.7 Total estimated cash outflows</b>	<b>(390)</b>

Excluding the estimated cash outflows of FE Limited. Includes expenses associated with Cobalt transaction.

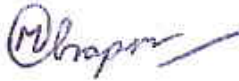
<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2 Interests in mining tenements and petroleum tenements acquired or increased	Zambia - 21853-HQ-SEL <sup>1</sup>	-	-	-
	DRC (Kipushi) - PER 12347 <sup>2</sup>	-	-	-
	DRC (Kasombo) – PE 4886 <sup>2</sup>	-	-	-
	DRC (Kasombo) – PE 481 <sup>2</sup>	-	-	-

<sup>1</sup> Completion of this transaction is in progress, Refer to ASX announcements for extent of interest.

<sup>2</sup> Completion of this transaction is in progress, , Refer to ASX announcements for extent of interest.

**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 July 2017

Print name: Melissa Chapman

**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.