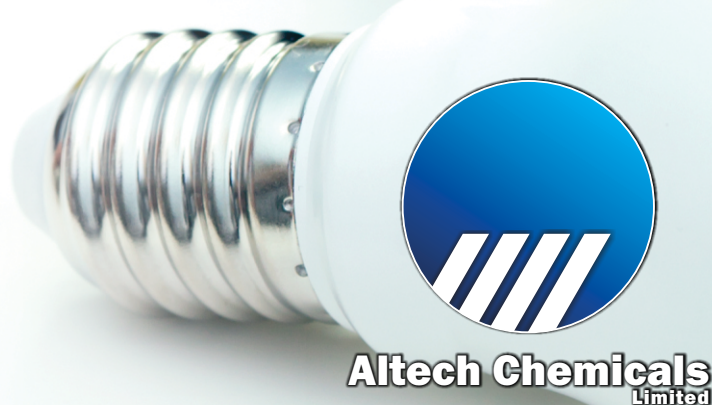




QUARTERLY REPORT

September 2016

HIGHLIGHTS

Altech targets increased project debt of US\$70 million

- Altech targeting total project debt of US\$70m
- Export credit cover component increased to US\$60m
- Uncovered debt portion of up to US\$10m
- Simplified sole lender structure proposed for the US\$70m of debt by KfW IPEX-Bank

Positive pre-assessment of Altech's US\$60m export credit application

- Positive pre-assessment of ECA application by German inter-ministerial committee
- Important milestone in the credit cover application assessment process
- Initiates project detailed due diligence

Appointment of due diligence consultants

- Lenders' due diligence consultants appointed
- Technical, market and legal due diligence commenced
- Due diligence initiation meeting held in Stuttgart, Germany
- Site visits to Meckering and Johor completed

Loan indicative terms and conditions received from KfW IPEX-Bank

- Lenders first draft loan facility indicative terms and conditions received
- Contemplates total project debt of US\$70m
- Export credit cover (ECA) component of US\$60m
- Incorporates a sole lender structure for the entire debt

HPA project detailed design update

- German M+W Group commenced detailed design and engineering of Malaysian HPA plant
- Design and engineering undertaken in Stuttgart, Germany and Singapore
- Final planning phase before the commencement of construction
- M+W Group has extensive Malaysian construction experience with offices in Malaysia and Singapore

Maiden Ore Reserve and Mineral Resource estimates for Altech's Meckering kaolin deposit

- Maiden Ore Reserve of 1.2Mt @ 30% Al_2O_3 (JORC 2012)
- Ore Reserve will support an initial 30 year mine-life providing kaolin feedstock to HPA plant
- Updated Mineral Resources estimation of 12.7Mt @ 29.5% Al_2O_3 (JORC 2012)
- Mineral Resources sufficient to provide 250 years kaolin feedstock to proposed HPA plant

Altech targets increased project debt of US\$70m

During the quarter the Company announced an increase in the targeted project debt finance amount for its proposed Malaysian high purity alumina HPA project plant to US\$70 million (previously US\$60 million).

The export credit cover component of targeted debt, which is subject to the approval of German export credit agency (ECA), Euler Hermes, increased from US\$40m to US\$60m. Accordingly, Altech reduced the amount for the remaining uncovered debt portion from US\$20m to US\$10m. The interest rate charged by lenders on project finance debt supported by ECA cover is typically very attractive, consequently the overall cost of debt for the Company shall be reduced compared to the originally contemplated structure.

Furthermore, German government-owned KfW IPEX-Bank, mandated to provide debt structuring and advisory services to the Company, has proposed a simple and cost effective “sole lender” debt structure whereby the entire US\$70 million of project debt is potentially provided exclusively by KfW IPEX-Bank (subject to due diligence and respective loan approval).

Table 1. Comparison of project target debt structures subject to final due diligence results

	Current	Previous
ECA covered debt	US\$60m	US\$40m
Uncovered debt	US\$10m	US\$20m
Total Senior Debt	US\$70m	US\$60m
Lender/s	Single (KfW IPEX-Bank)	Various

Altech managing director Mr Iggy Tan said, “Increasing the ECA application amount to US\$60m for our proposed HPA project is an extremely positive outcome for the Company and testament to the project's financial robustness.

“A single project lender will significantly simplify and streamline financing, documentation and securitisation. Also, the increased proportion of ECA covered debt will reduce the overall interest rate that will apply to project borrowings.

“The next steps for project financing include a formal application for the in-principle ECA cover and the completion of the bank-initiated independent due diligence”, he concluded.

Positive pre-assessment of Altech's US\$60m export credit application

During the quarter the Company was officially advised by Euler Hermes Aktiengesellschaft (Hermes), the German export credit agency (ECA), of a positive pre-assessment of its export credit application for cursory review by the German government inter-ministerial committee (IMC) and Hermes (refer ASX announcement dated 3 August 2016 for details).

The positive pre-assessment of Altech's export credit application was an important milestone in the assessment process of the (HPA) project. Whilst it is not legally binding and issued without prejudice to any decision to provide ECA cover, the positive pre-assessment shows significant progress of the German government approvals process. The outcome sets in motion a formal detailed due diligence of the HPA project (including addressing specific requirements for Hermes) that will be undertaken by various consultants appointed by the Company's mandated German financier, KfW IPEX-Bank. Upon completion, the due diligence process will culminate in an “expert opinion” report on the HPA project to the IMC, and will form the basis of a decision on the approval to offer ECA cover by the IMC and Hermes. The Company has collaborated with KfW IPEX-Bank to select and appoint lenders' consultants.

Altech's managing director Mr Iggy Tan said that the positive pre-assessment by the IMC and Hermes is a significant milestone in the Company's endeavours for funding its HPA project.

“Obtaining this positive pre-assessment of the project from Hermes in such a short period of time is a real boost to the team.

“Another great effort by our Perth-based management team, our German-based financing consultants, KfW IPEX-Bank and our German EPC contractor M+W Group”.

Hermes is the appointed ECA that administers the export credit scheme for the German government. The scheme is an instrument for the promotion of German exports. It provides a cover to bank lenders to insure against the risk of an export loan. The scheme was identified as applicable to Altech's HPA project because the majority of the proposed project's plant and equipment will be sourced from both German and European Union manufacturers, and the appointed EPC contractor is German company M+W Group.

Appointment of due diligence consultants

Following its announcement on 3 August 2016 of the positive pre-assessment by the German government inter-ministerial committee (IMC) and Euler Hermes of Altech's export credit project finance application, due diligence consultants were appointed.

The due diligence consultants will undertake definitive technical, market and legal reviews of Altech's HPA project on behalf of the proposed financier, Germany's government-owned KfW IPEX-Bank, supported by German export credit agency Euler Hermes. The appointment of the due diligence consultants marked a significant milestone for Altech's project financing and will culminate in the provision of an "expert opinion" on the project's viability and risks.

The appointed due diligence consultants included:

Technical: M.Plan International Limited

Review the technical, environmental and social aspects of the project. Including, amongst others, the geology, mineral resources and reserves, metallurgical test work, construction budget and schedule, infrastructure, permitting, environmental and social aspects.

Market: Persistence Market Research

Assessment and confirmation of HPA target market, production, consumption, demand, trade, and a review and validation of proposed sale quantities and considered prices used in the project's financial model.

Legal: Freshfields Bruckhaus Deringer

Assessment and confirmation of the project's legal aspects including permits, licences, contractual terms, structuring, and financial transactions. Adnan Sundra & Low (ASL) engaged as Malaysian counsel and Minter Ellison as Australian counsel. Freshfields to act as lenders' legal counsel to KfW IPEX-Bank.

Expert opinion on financing for Euler Hermes

An "expert opinion" on the project's overall viability, assessment and justification of project risks will be provided by a "reputable international audit firm". The expert opinion is required for the grant of export credit cover for project financed transactions and issued to the responsible authorities of the Federal Republic of Germany (FRG) represented by the German export credit agency - Euler Hermes.

A due diligence initiation meeting was held in Stuttgart, Germany, with representatives from the appointed due diligence consultants in attendance, as well as M+W Group (Altech's EPC contractor) and KfW IPEX-Bank. At the meeting M.Plan International Limited and Persistence Market Research each presented their initial preliminary findings, which identified no fatal flaws in the Company's HPA project from their respective technical and market viewpoints. The initiation meeting was chaired and facilitated by Altech managing director Iggy Tan, in conjunction with KfW IPEX-Bank project leaders.

Following the meeting representatives from the various due diligence consultancy groups travelled to Western Australia and Johor, Malaysia to visit the key sites of the HPA project. In Western Australia, the group visited the Company's Meckering kaolin deposit, followed by the HPA pilot plant site located at Simulus' Perth laboratory. In Johor, Malaysia, the group visited Altech's proposed HPA plant site at the Tanjung Langsat Industrial Complex, and the nearby Tanjung Pelepas container port.

Altech managing director Iggy Tan said, *"The commencement of the lenders' detailed due diligence is a significant advancement towards finalising project financing."*

"An extremely constructive due diligence initiation meeting was held in Stuttgart, Germany during which all participants were updated on the status of project detailed design and funding plans."

"The subsequent site visits enabled the consultants to quickly familiarise themselves with the project, the Company, and provided for specific queries to be answered in a most effective manner."

Figure 2. Due diligence consultants visit Altech's Meckering kaolin deposit, Western Australia



Loan indicative terms and conditions received from KfW IPEX-Bank

During the quarter the Company received a summary of senior facility agreement indicative terms and conditions from KfW IPEX-Bank for the proposed US\$70 million of debt financing of its HPA project.

The indicative terms and conditions proposed by KfW IPEX-Bank included matters customary for the type of project debt financing being targeted, such as a description of credit facilities; interest rates and fees; debt payment terms and maturity dates; collateral security; affirmative and negative covenants; details of guarantors; closing conditions; financial covenants; representations and warranties; events of default and material adverse changes. Results of the ongoing due diligence process were also considered.

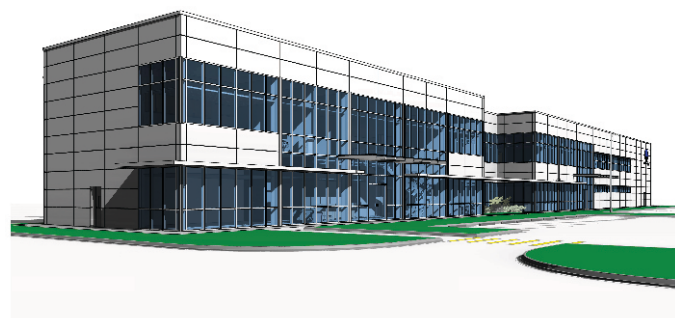
KfW IPEX-Bank proposed a simple and cost effective “sole lender” debt structure (refer ASX announcement dated 17 August 2016) whereby the entire US\$70m of project debt would potentially be provided exclusively by KfW IPEX-Bank (subject to ongoing due diligence and respective loan approval).

Altech and KfW IPEX-Bank commenced detailed discussions and negotiations of the proposed facility agreement terms and conditions, which are not binding on either party. Finalised terms and conditions, once agreed, will form the basis for the preparation of binding loan facility documentation.

Figure 3. Due diligence team visits Altech's HPA pilot plant site at Simulus' Perth laboratory



Figure 4. Proposed Malaysian HPA plant



Altech managing director Mr Iggy Tan said, “The debt financing is progressing well and the senior facility agreement indicative terms and conditions presented by KfW IPEX-Bank is the an important step towards securing finance.

“The debt and ECA cover is still subject to due diligence and various loan approval steps. While receiving the indicative terms and conditions is a positive outcome, it does not imply that the ECA or debt financing applications will necessarily be successful,” he concluded.

Figure 5. Tanjung Pelepas (PTP) container port, Johor, Malaysia



HPA project detailed design update

During the quarter the Company provided an update on the detailed design and engineering work for its proposed Malaysian HPA plant being conducted by German-based engineering firm, M+W Group.

M+W Group is a leading global high-tech engineering firm with around 6,000 employees worldwide. Established in 1912, M+W Group has a strong presence in Asia with regional offices in both Singapore and Penang, Malaysia. The firm manages projects of all dimensions on behalf of clients from various sectors, including electronics, chemicals and pharmaceuticals, energy and information technology. It has completed over 700 projects in the Asia Pacific region, where it employs around 2,200 highly skilled and experienced staff.

M+W Group was appointed as Altech's engineering, procurement and construction (EPC) contractor in March 2016 and its German-based division commenced detailed design and engineering of the Company's HPA plant in June 2016.

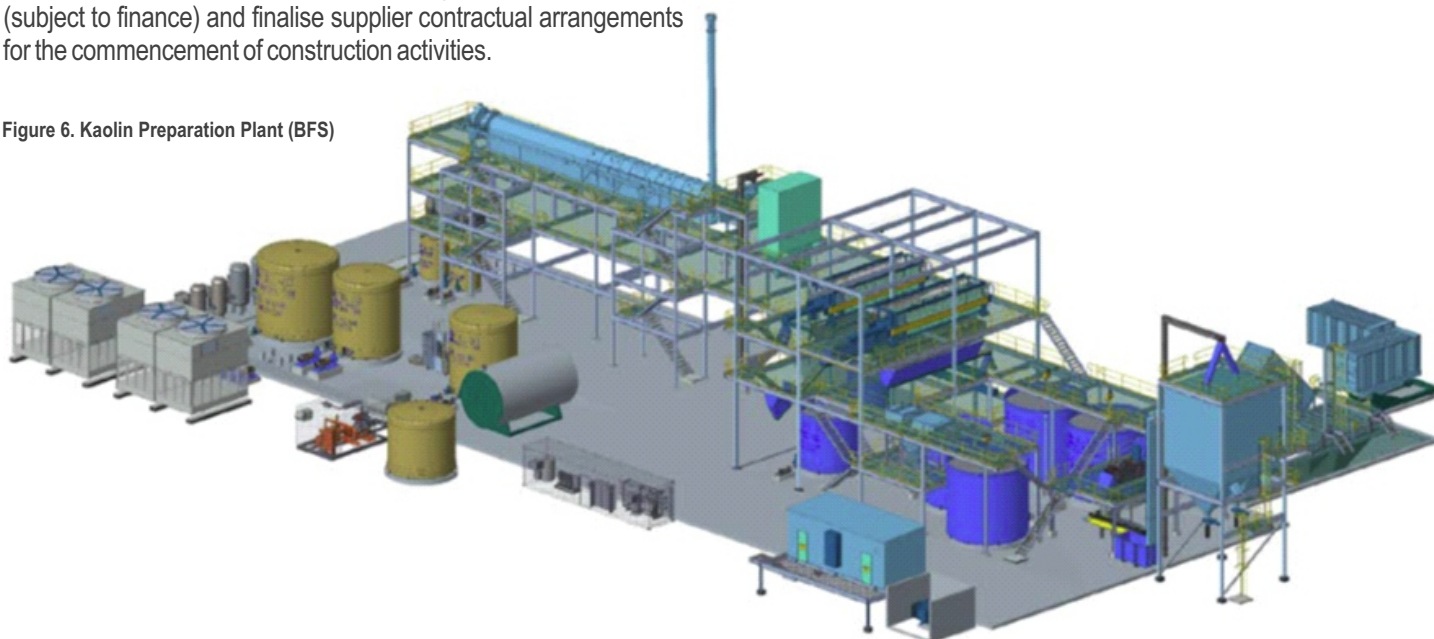
Detailed design is the final planning phase for the Malaysian HPA plant prior to the actual commencement of construction. Detailed design involves the complete definition of every aspect of the plant including detailed diagrams and drawings for construction, civil works, instrumentation, control systems, electrical facilities, management of suppliers, schedule of activities, costs, procurement of equipment and management of environmental impacts. Once completed and subject to funding, the Company and M+W Group will be in a position to order long-lead time capital items (subject to finance) and finalise supplier contractual arrangements for the commencement of construction activities.

Altech is in the fortunate position of having been able to fast-track the detailed design and engineering phase, primarily because of the comprehensive engineering work undertaken during the bankable feasibility study (BFS) phase of the HPA project.

M+W Group's lead process engineers conducted a pre-commencement review of the BFS engineering work, and only minor items were identified. Consequently, the BFS engineering drawings such as process flow diagrams were imported directly into M+W Group's systems without requiring re-drawing, saving considerable time and expense. The pre-appointment of key equipment suppliers such as SGL Group (HCl equipment) and Drytech (kilns) during the BFS gave Altech early access to their equipment specifications enabling incorporation into the BFS; and thereafter directly transferred to M+W Group's database for final detailed design work.

M+W Group (Singapore), with its extensive South East Asian operating experience, was also engaged to manage all Malaysian permitting and project approvals on behalf of the Company. M+W Group (Singapore) will also co-ordinate the instrument and electrical detailed design as well as the management of construction supervision.

Figure 6. Kaolin Preparation Plant (BFS)



Maiden Ore Reserve at Altech's Meckering kaolin deposit

Subsequent to quarter end, the Company announced the estimation of a maiden Ore Reserve based on the production of high purity alumina (HPA) using feedstock from its 100%-owned Meckering Kaolin Deposit (M70/1334), Western Australia (Meckering) (refer to ASX announcement dated 11 October 2016 for details). The Ore Reserve was derived from a Mineral Resources estimation at Meckering, which was delineated for the purpose of HPA production.

A maiden Ore Reserve was estimated at 1.2 million tonnes @ 30% Al_2O_3 (alumina) in the minus 300 micron (μm) kaolin fraction with a cut-off grade of 25% Al_2O_3 . The Ore Reserve at Meckering is more than sufficient to support the proposed HPA processing operation (ore delivery rate of 41,000tpa) for the initial stage 1 mine-life of 30 years.

A Mineral Resource estimated 12.7 million tonnes @ 29.5% Al_2O_3 (alumina) in the minus 300 micron (μm) kaolin fraction with a cut-off grade of 25% Al_2O_3 . The Mineral Resources estimation at Meckering is potentially sufficient to support Altech's proposed HPA production for over 250 years.

The Mineral Resources estimate is inclusive of the above Ore Reserve estimate and based on data from the Company's April 2016 drilling program and subsequent test work results.

Altech managing director Mr Iggy Tan commented, "The Company is pleased to present both the maiden Ore Reserve and Mineral Resources estimation.

"The Ore Reserve statement is a significant milestone that confirms an initial stage 1, 30 year mine-life at Meckering, producing over 1.2Mt of high-quality, alumina-rich kaolin feedstock to supply the proposed HPA plant.

Table 2. Maiden Ore Reserve & Mineral Resources Summary

	Category	Quantity (Mt)	Yield % minus 300	Minus 300 Al_2O_3 (%)
Ore Reserve	Proved	0.45	69	30.1
	Probable	0.77	71	30.0
	TOTAL	1.22	70	30.0
Mineral Resources (including Ore Reserve)	Measured	1.5		30.0
	Indicated	3.3		30.0
	Inferred	7.9		29.1
	TOTAL	12.7		29.5

Figure 7. Kaolin samples from Altech's April 2016 drilling program at Meckering



"The Mineral Resource estimate is sufficient to supply the proposed HPA operation for over 250 years, which will also allow further capacity expansions in the future.

"The next step of the process to bring Meckering into production is the submission of the mining proposal and mine closure plan as part of the approvals required for the commencement of construction in early 2017", he concluded.

Figure 8. Altech's April 2016 drilling program at Meckering



Corporate

Updated research report

During the quarter the Company advised of the release of an updated research report titled "ECA financing steps in final throws" by Perth-based stockbroking firm DJ Carmichael. Written by DJ Carmichael Head of Research, Mr Paul Adams, the report was a follow-up from the initial research report on the Company published in February 2016. A copy of the updated research report is available on the Company's website: www.altechchemicals.com.

Figure 9. Excerpt from the Company's 2016 Annual Report



General meetings

During the quarter two (2) General Meetings of shareholders were held. On 29 July 2016, shareholders approved a \$1m placement of shares to Malaysian investment group MAA Group Berhad (completed on 3 August 2016), the issue of Performance Rights to various non-executive directors and a prior placement of shares. At the 16 September 2016 general meeting, shareholders approved Tranche 2 of the \$10m placement of shares that was announced by the Company on 27 July 2016 and ratified the allotment of shares for Tranche 1 of the \$10m share placement.

On 30 September 2016 the Company had approximately AU\$10.2 million cash on hand.

The Company's 2016 Annual Report was released during the quarter and is available to view on Altech's website www.altechchemicals.com.

Schedule of tenements

As per ASX Listing Rule 5.3.3, the Company held the following tenements (exploration and mining leases) as at 30 September 2016:

Tenement ID	Registered Holder	Location	Project	Grant Date	Interest start of quarter	Interest end of quarter
EPM18375	Altech Chemicals Ltd	QLD Australia	Constance Range	27/04/2012	100%	0%
E70/4718	Canning Coal Pty Ltd	WA Australia	Kerrigan	01/12/2015	100%	100%
M70/1334	Altech Meckering Pty Ltd	WA Australia	Meckering	19/05/2016	100%	100%
E70/4852	Altech Meckering Pty Ltd	WA Australia	Meckering		100%	100%
E70/4856	Canning Coal Pty Ltd	WA Australia	Meckering		100%	100%
E70/4857	Altech Meckering Pty Ltd	WA Australia	Meckering		100%	100%
E70/4713	Altech Chemicals Ltd	WA Australia	Southdown	09/06/2015	100%	0%
E70/4341	Australian Mineral Sands Pty Ltd	WA Australia	SW Titanium	16/01/2013	100%	100%
E70/4643	Australian Mineral Sands Pty Ltd	WA Australia	SW Titanium	25/03/2015	100%	100%



Altech Chemicals
Limited

QUARTERLY REPORT

September 2016

Company Snapshot

Altech Chemicals Limited (ASX:ATC)
ABN 45 125 301 206

FINANCIAL INFORMATION (as at September 2016)

Share Price:	\$0.11
Shares:	266m
Options:	3.6m
Performance Rights:*	20.7m
Market Cap:	\$29.3m
Cash:	\$10.2m

DIRECTORS:

Luke Atkins
Chairman

Iggy Tan
Managing Director

Peter Bailey
Non-executive Director

Dan Tenardi
Non-executive Director

Tunku Yaacob Khyra
Non-executive Director

Uwe Ahrens
Alternate Director

COMPANY SECRETARY/CFO:
Shane Volk

HEAD OFFICE:

Suite 8, 295 Rokeby Road,
Subiaco, Western Australia, 6008

T. +61 8 6168 1555

F. +61 8 6168 1551

E. info@altechchemicals.com

W. www.altechchemicals.com

*subject to vesting conditions

ABOUT ALTECH CHEMICALS (ASX: ATC)

Altech Chemicals Limited (Altech/the Company) is aiming to become one of the world's leading suppliers of 99.99% (4N) high purity alumina (HPA) (Al₂O₃). HPA is a high-value, high margin and highly demanded product as it is the critical ingredient required for the production of synthetic sapphire. Synthetic sapphire is used in the manufacture of substrates for LED lights, semiconductor wafers used in the electronics industry, and scratch-resistant sapphire glass used for wristwatch faces, optical windows and smartphone components. There is no substitute for HPA in the manufacture of synthetic sapphire.

Global HPA demand is approximately 25,315tpa (2016) and demand is expected to grow at an annual rate of 16.7% (2016-2024), primarily driven by the growth in worldwide adoption of LEDs. As an energy efficient, longer lasting and lower operating cost form of lighting, LED lighting is replacing the traditional incandescent bulbs.

Current HPA producers use an expensive and highly processed feedstock material such as aluminium metal to produce HPA. Altech has completed a Bankable Feasibility Study (BFS) for the construction and operation of a 4,000tpa HPA plant at Tanjung Langsat, Malaysia. The plant will produce HPA directly from kaolin clay, which will be sourced from the Company's 100%-owned kaolin deposit at Meckering, Western Australia. Altech's production process will employ conventional "off-the-shelf" plant and equipment to extract HPA using a hydrochloric (HCl) acid-based process. Production costs are anticipated to be considerably lower than established HPA producers.

The Company is currently in the process of securing project financing with the aim of commencing project development in Q2-2017.

COMPETENT PERSONS STATEMENTS – MECKERING KAOLIN DEPOSIT

The information in this announcement that relates to Mineral Resources and Ore Reserves is extracted from the report entitled "Maiden Ore Reserve at Altech's Meckering Kaolin Deposit" released on 11 October 2016; the report is available to view of the Company's website www.altechchemicals.com. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources and Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

FORWARD-LOOKING STATEMENTS

This announcement contains forward-looking statements which are identified by words such as 'anticipates', 'forecasts', 'may', 'will', 'could', 'believes', 'estimates', 'targets', 'expects', 'plan' or 'intends' and other similar words that involve risks and uncertainties. Indications of, and guidelines or outlook on, future earnings, distributions or financial position or performance and targets, estimates and assumptions in respect of production, prices, operating costs, results, capital expenditures, reserves and resources are also forward looking statements. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions and estimates regarding future events and actions that, while considered reasonable as at the date of this announcement and are expected to take place, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and management. We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and readers are cautioned not to place undue reliance on these forward-looking statements. These forward looking statements are subject to various risk factors that could cause actual events or results to differ materially from the events or results estimated, expressed or anticipated in these statements.

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

ALTECH CHEMICALS LIMITED

ABN

45 125 301 206

Quarter ended ("current quarter")

SEPTEMBER 2016

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	-	-
(b) development	(1,047)	(1,047)
(c) production	-	-
(d) staff costs	(399)	(399)
(e) administration and corporate costs	(333)	(333)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	8	8
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,771)	(1,771)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(18)	(18)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

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	(18)	(18)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	11,005	11,005
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	(599)	(599)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(10,406)	(10,406)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,600	1,600
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,771)	(1,771)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(18)	(18)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	10,405	10,405
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	10,216	10,216

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	10,212	1,597
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details) (Security Deposit)	3	3
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	10,215	1,600

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**

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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**

152

-

Director Remuneration & Rent of office premises

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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
Add notes as necessary for an understanding of the position			
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	-
9.2 Development	2,000
9.3 Production	-
9.4 Staff costs	400
9.5 Administration and corporate costs	350
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	2,750

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	E70/4713 (Southdown) EPM18375 (Constance Range)	Direct Direct	100% 100%	0% 0%
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
(Director/Company secretary)

31 OCTOBER 2016
Date:

Print name: SHANE VOLK
.....

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.