ASX CODE

AUC

DIRECTORS & MANAGEMENT

Mr Richard Lockwood
Non-Executive Chairman

Mr Denis Rakich
Executive Director & Company Secretary

Mr Neil Fearis
Non-Executive Director

Mr Geoff Jones
Non-Executive Director

Miss Melanie Sutterby
Geology Manager

Ms Elsie Lee
Financial Controller

REGISTERED OFFICE

Level 16, AMP Building
140 St Georges Terrace
Perth WA 6000

SHARE REGISTRY

Security Transfer Registrars
770 Canning Highway
Applecross WA 6153

ISSUED CAPITAL (30.01.17)

Ordinary shares: 350.3M
Unlisted options: 42.5 M

INVESTOR RELATIONS

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Tuesday 31 January 2017

QUARTERLY REPORT FOR THE PERIOD ENDED 31 DECEMBER 2016

OVERVIEW

The maiden reverse circulation ("RC") drilling program at the Datatine prospect at Ausgold Limited's ("Ausgold" or the "Company") (ASX:AUC) Katanning Gold Project ("KGP") undertaken during the quarter confirmed Datatine as a significant discovery.

The RC program at Datatine consisted of six RC holes for a total of 410m to follow up gold mineralisation identified previously by air core ("AC") drilling (refer ASX announcement 5 May 2016). All holes in the program intersected mineralisation.

The Company also drilled two RC holes for a total of 424m that targeted the down-plunge extents of the White Dam high-grade shoot and seven holes for a total of 625m were drilled targeting the shallow or "up-plunge" extents of White Dam. Significant results were received from the drilling at White Dam and the continuity of the high-grade shoot has been confirmed.

The drilling at White Dam also intersected a zone of shallow mineralisation approximately 50m south of the Jinkas pit, from which gold has historically been mined. This zone appears to be the southern extension of the Jinkas orebody.

HIGHLIGHTS

- **Maiden RC drilling at Datatine yields exceptional results, including 25m @ 2.47 g/t Au (from 20m) including 2m @ 16.26 g/t Au (from 42m) in BSRC0726**
- **RC drilling at White Dam successfully intersected and extended the high grade shoot down plunge with significant results, including 10m @ 3.55 g/t Au from 193m in BSRC0729 including:**
  - **2m @ 5.03 g/t Au from 193m; and**
  - **1m @ 15.15 g/t Au from 197m**
- **RC drilling intersected the untested southern extension of the Jinkas orebody. Intercepts included 15m @ 2.03 g/t Au from 16m in BSRC0720, including:**
  - **1m @ 9.24 g/t Au from 25m; and**
  - **2m @ 7.57 g/t Au from 29m**
- **Commenced follow up RC drilling program at Datatine focused on establishing a Maiden Mineral Resource**
- **Further drilling at White Dam and Jinkas anticipated to grow the Mineral Resource**
- **Systematic exploration and resource development program for the KGP in place for 2017**

KATANNING GOLD PROJECT, WESTERN AUSTRALIA (AUC 100%)

The Katanning Gold Project ("KGP") is located 275 kilometres southeast of Perth and approximately 40km northeast of the wheatbelt town of Katanning. Ausgold holds a dominant ground position of approximately 2,400km^2 in this relatively under-explored greenstone belt (Figure 1), an area believed to be highly prospective for Archaean gold deposits.

During 2015 Ausgold announced an updated global resource following extensive geological and mineralisation modelling, developed in accordance with the JORC 2012 Code (Table 1). The Mineral Resource, which is reported at a 0.5 g/t Au cut-off grade and restricted to approximately 150 metres below surface, is estimated at 16.4 million tonnes at 1.21 g/t for a total of 637,330 contained ounces. Ausgold believes that there is significant scope to increase the grade and size of this Mineral Resource.

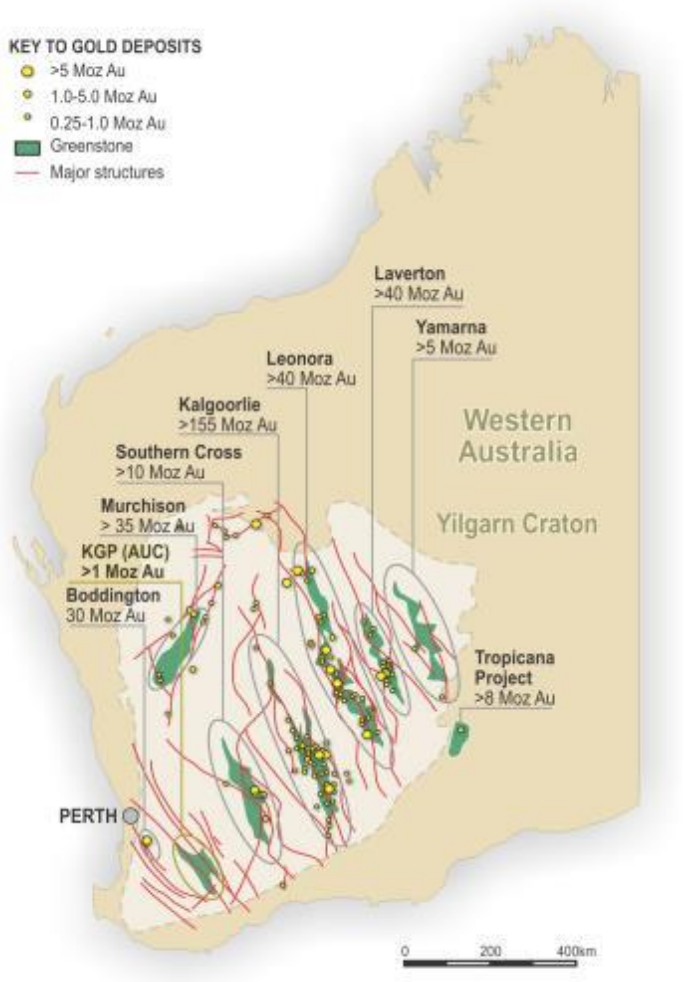

Figure 1. *Regional location map showing the KGP, mineralised greenstone belts and major structures.*

Table 1. *Updated Resource Estimate – SRK Consulting (September-October 2015)*

Lode	Measured			Indicated			Inferred			Totals		
	Mt	*Au g/t*	*Koz*	*Mt*	*Au g/t*	*Koz*	*Mt*	*Au g/t*	*Koz*	*Mt*	*Au g/t*	*Koz*
Jinkas Main Lodes	2.37	2.15	164	1.00	1.13	36	0.75	0.89	21	4.13	1.67	221
Jinkas HW Lodes	0.22	1.10	8	0.76	1.02	25	0.49	0.91	14	1.47	1.00	47
Jinkas Total	**2.59**	**2.06**	**171**	**1.77**	**1.08**	**62**	**1.24**	**0.90**	**36**	**5.59**	**1.49**	**268**
Dingo Main Lodes	0.44	1.22	17	2.95	1.11	106	0.38	0.77	9	3.77	1.09	132
Dingo HW Lodes	-	-	-	0.63	0.72	15	0.31	0.64	6	0.94	0.69	21
Dingo Total	**0.44**	**1.22**	**17**	**3.58**	**1.05**	**120**	**0.69**	**0.71**	**16**	**4.70**	**1.01**	**153**
Jackson Main	-	-	-	0.32	1.50	16	0.04	0.94	1	0.37	1.43	17
Jackson HW & FW	-	-	-	0.47	1.02	15	0.19	0.95	6	0.66	1.00	21
Jackson Total	**-**	**-**	**-**	**0.79**	**1.22**	**31**	**0.24**	**0.95**	**7**	**1.02**	**1.15**	**38**
Lone Tree Total	**-**	**-**	**-**	**0.17**	**0.93**	**5**	**1.19**	**0.76**	**29**	**1.37**	**0.78**	**34**
White Dam Total	**-**	**-**	**-**	**0.38**	**1.00**	**12**	**3.28**	**1.24**	**131**	**3.66**	**1.22**	**143**
GRAND TOTAL	**3.0**	**1.94**	**188**	**6.7**	**1.07**	**230**	**6.6**	**1.02**	**219**	**16.4**	**1.21**	**637**

Notes:
The Mineral Resource is reported at a lower cut-off grade of 0.50g/t gold. For the Jinkas Main Lodes, a top cut of 50g/t has been applied (with top-cuts of 15g/t and 20g/t applied for the Jinkas HW Lodes). For the Dingo Main Lode a top cut of 20g/t has been applied. The topographic surface at the KGP is at approximately 360mRL with the updated Mineral Resource estimate stated to a depth of 210mRL (approximately 150 metres below land surface).

Katanning Gold Project Drilling – Datatine

Datatine is located 7km north of the Jinkas open pit at the KGP. Previous exploration at the KGP focused on porphyry and stratigraphic-style exploration models. During a hiatus in exploration activity at the KGP between 2013 and 2015 a thorough re-interpretation, conducted in conjunction with SRK Consulting using the data available (including open pit exposures, diamond core, drill logs, geophysical and geochemical datasets), revealed the presence of high grade gold mineralised pipe-like shoots.

The Datatine prospect is a high priority target that supports the new exploration model for the KGP. Datatine is characterised by a coherent gold-geochemical anomaly and a coincident magnetic geophysical signature that indicates potential gold-hosting structures.

The maiden RC drilling program at Datatine was planned to verify the high-grade gold intercepts from previous AC drilling results (refer ASX announcement "New Gold Discovery at Katanning Project, 5 May 2016) and test the continuity of mineralisation at depth.

RC holes were planned along the same section as the original significant AC intercepts (BSAC 1337 to BSAC 1349, Figure 2). Assay results have been received for all of the RC holes drilled. The primary gold mineralisation intersected (Figure 2 and Table 2) is associated with sheared and altered mafic granulites (± quartz veining, ±carbonate and pyrite). Depth to the top of fresh rock is approximately 35m to 40m, as shown in Figure 2.

Gold mineralisation down dip and along strike remains open and requires further drill testing. Subsequent to the Quarter end, follow-up drilling commenced in January 2017.

Results received to date are shown in Table 2 below, with significant results including:

- 9m @ 1.74 g/t Au (from 16m) in BSRC0723
- 8m @ 3.87 g/t Au (from 11m), including 2m @ 10.46 g/t Au (from 11m) in BSRC0724 (abandoned hole)
- 3m @ 1.39 g/t Au (from 0m) in BSRC0725 (abandoned hole)
- 6m @ 1.28 g/t Au (from 18m to EOH) in BSRC0725 (abandoned hole)
- 25m @ 2.47 g/t Au (from 20m), including 2m @ 16.26 g/t Au (from 42m) in BSRC0726
- 11m @ 2.26 g/t Au (from 34m), including 2m @ 10.00 g/t (Au (from 39m) in BSRC0727
- 17m @ 1.67 g/t Au (from 55m), including 5m @ 3.11 g/t Au (from 57m) in BSRC0727
- 8m @ 1.92 g/t Au (from 55m) and 11m @ 0.80 g/t Au (from 68m) in BSRC0731.

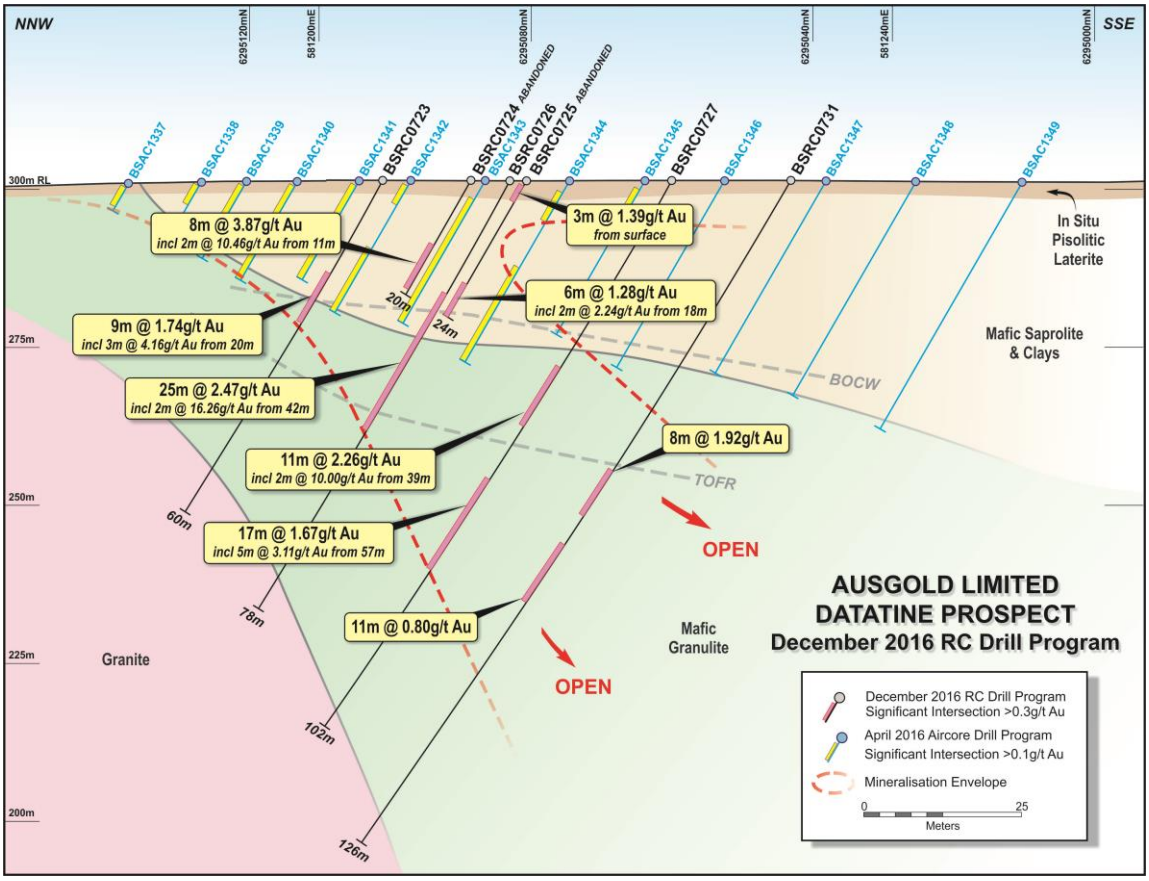

Figure 2. *Datatine prospect cross-section showing drill holes, interpreted geology and mineralisation*

Hole ID	Northing MGA 50	Easting MGA 50	AHD RL	Magnetic Azimuth	Dip	Total Depth (m)	From (m)	To (m)	Interval (m)	Au (ppm)
BSRC0723*	6295102	581205	301	334°	-61°	60	16	25	9	1.74
		Including					***20***	***23***	***3***	***4.16***
BSRC0724*	6295089	581211	301	334°	-60°	20	11	19	8	3.87
		Including					***11***	***13***	***2***	***10.46***
		Including					***14***	***16***	***2***	***4.23***
BSRC0725*	6295081	581215	301	334°	-60°	24	1	3	3	1.39
							18	24	6	1.28
		Including					***18***	***20***	***2***	***2.24***
BSRC0726*	6295087	581220	301	330°	-60°	78	20	45	25	2.47
		Including					***42***	***44***	***2***	***16.26***
BSRC0727*	6295066	581235	301	332°	-60°	102	34	45	11	2.26
		Including					***39***	***41***	***2***	***10.00***
							55	72	17	1.67
		Including					***57***	***62***	***5***	***3.11***
		Including					***68***	***70***	***2***	***3.34***
BSRC0731	6295048	581243	301	333°	-60°	126	55	63	8	1.92
							68	79	11	0.80

***Table 2**. Drill hole information and gold assay results from first pass RC drilling at the Datatine prospect, KGP.*
**Results released ASX announcement 13 December 2016*

***Notes to Table 2**.*
For RC assay results the intervals reported are thickness weighted averages (ie. XXm grading XX grams per tonne gold content). Reported intervals are calculated using ≥ 0.3g/t Au cut-off grade and using a ≤ 2m minimum internal dilution (unless otherwise stated).

Forward Drilling Program at Datatine

A ~2,000m RC drillhole program and an ~8,000m AC drillhole program were planned and, subsequent to Quarter end, were commenced at the Datatine prospect (Figure 3). The RC drilling aims to test mineralisation at depth and along strike, while the AC drilling will test priority gold targets in the wider Datatine region.

Katanning Gold Project Drilling – White Dam

White Dam mineralisation comprises two sub-parallel lodes located approximately 80m below the Jinkas lodes. A Mineral Resource estimate was completed in 2015 at White Dam resulting in an estimate of 3.66Mt @ 1.22 g/t Au for 143Koz. The main lode has a defined strike length of 1.4km with an average thickness of approximately 5.5m. The footwall lode has a strike extent of 230m and an average thickness of approximately 2.6m. High grades, existing in shoot-like geometry that appears to be structurally controlled, were observed to occur over an approximate 200m strike length (prior to the recent drilling).

Recent RC drilling undertaken at White Dam returned strong gold intercepts along plunging "shoots" within a broader low-grade mineralised zone (refer ASX announcement "RC Drilling Confirms Extensive High Grade Shoot" 4 May 2016). The RC drilling during the Quarter at White Dam (Figure 4) was designed to test both the shallow "up plunge" and deeper "down plunge" extensions of the high grade mineralisation. The White Dam drilling will target zones that have not been previously tested but in light of recent remodelling are considered highly prospective.

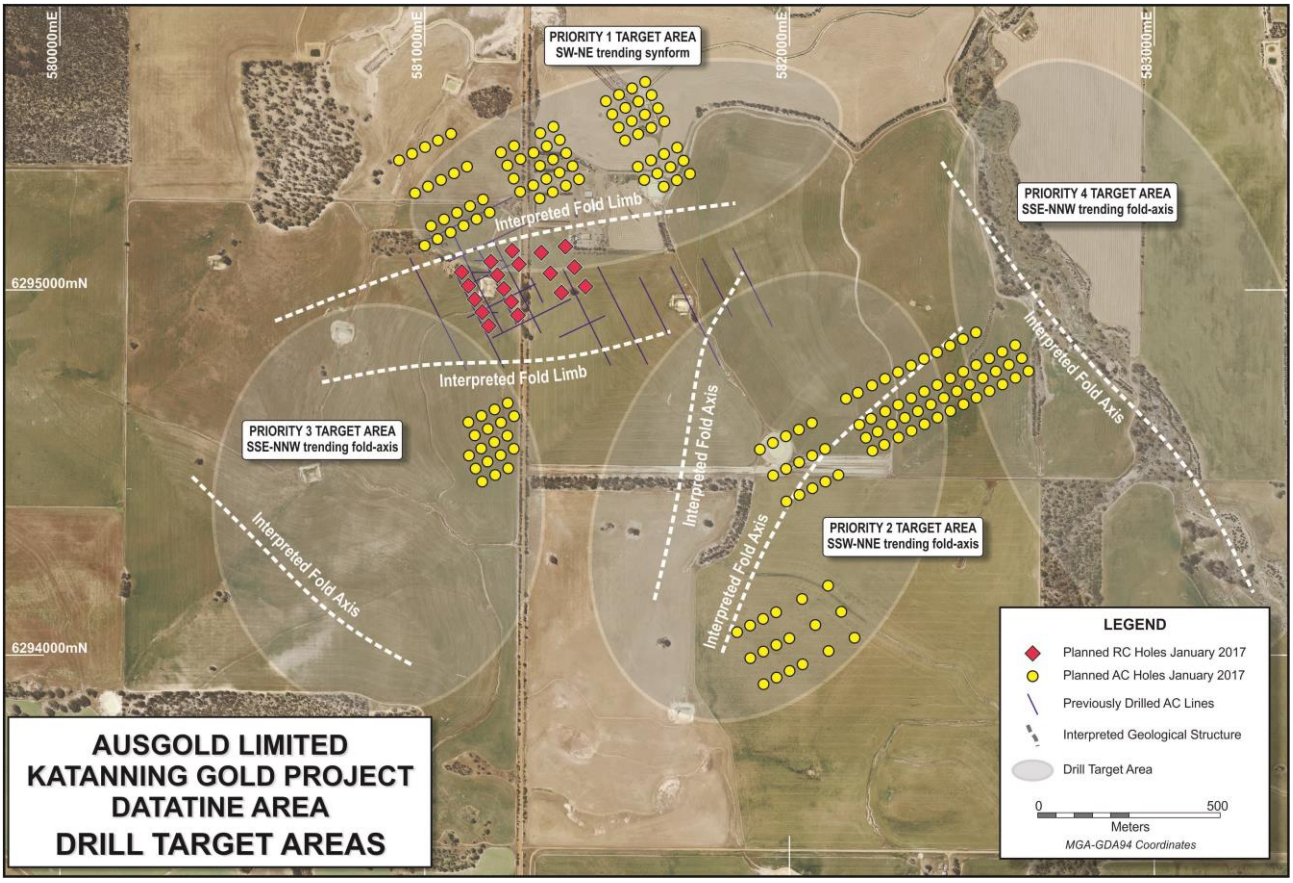

Figure 3. *Datatine exploration target areas, showing planned AC and RC drilling*

Two holes for a total of 424m were drilled targeting the down-plunge extents of the White Dam high-grade shoot and seven holes for a total of 625m were drilled targeting the shallow or "up-plunge" extents of White Dam (Figure 4, Table 3). Subsequent to Quarter end, assays were received and significant results at White Dam and Jinkas lodes are shown in Table 3 below, including:

- 10m @ 3.55g/t Au from 193m in BSRC0729, including:
  - 2m @ 5.03/t Au from 193m; and
  - 1m @ 15.15g/t Au from 197m.
- 10m @ 1.22g/t Au from 193m in BSRC0730, including:
  - 1m @ 5.62/t Au from 193m; and
  - 3m @ 1.41g/t Au from 200m.
- 15m @ 2.03g/t Au from 16m in BSRC0720, including:
  - 1m @ 9.24g/t Au from 25m; and
  - 2m @ 7.57g/t Au from 29m.

Hole ID	Northing MGA 50	Easting MGA 50	AHD RL	Magnetic Azimuth	Dip	Total Depth (m)	From (m)	To (m)	Interval (m)	Au (ppm)	Lode
WHITE DAM and JINKAS LODES											
BSRC0716	6287605	584404	373	244°	-61°	76	59	60	1	1.29	White Dam
BSRC0717	6287627	584436	372	244°	-85°	100	80	81	1	2.00	White Dam
BSRC0718	6287626	584435	372	244°	-60°	96	79	80	1	2.27	White Dam
BSRC0719	6287588	584379	373	244°	-61°	59	*No significant intersections*				White Dam
BSRC0720	6287700	584533	369	242°	-55°	132	16	31	15	2.03	Jinkas
		Including					***25***	***26***	***1***	***9.24***	
		Including					***29***	***31***	***2***	***7.57***	
BSRC0721	6287452	584449	383	244°	-61°	72	*No significant intersections*				White Dam
BSRC0722	6287465	584489	383	244°	-60°	90	87	88	1	5.15	White Dam
BSRC0728	6288276	584433	384	244°	-70°	163	*No significant intersections*				***Hole Abandoned***
BSRC0729	6288275	584432	384	244°	-65°	214	97	98	1	5.66	Jinkas
							193	203	10	3.35	
		Including					***193***	***195***	***2***	***5.03***	White Dam
		Including					***197***	***198***	***1***	***15.15***	
BSRC0730	6288275	584431	384	244°	-60°	210	98	100	2	1.15	Jinkas
							116	117	1	1.14	
							193	203	10	1.22	
		Including					***193***	***194***	***1***	***5.62***	White Dam
		Including					***200***	***203***	***3***	***1.41***	

Table 3. *Anomalous gold values received from RC drilling at White Dam and Jinkas South (*GDA 1994 MGA Zone 50).*

Notes to Table 3.
For RC assay results the intervals reported are thickness-weighted averages (ie. XXm grading XX grams per tonne gold content). Reported intervals are calculated using ≥ 0.5g/t Au cut-off grade and using a ≤ 2m minimum internal dilution (unless otherwise stated).

The results of the RC drilling during the Quarter demonstrate the down-plunge continuity of the White Dam high-grade shoot, with BSRC0729 and BSRC0730 (section 18410mN) intersecting the shoot 80m north of its previously confirmed extent on section 18340mN (refer ASX announcement 4 May 2016). The White Dam high-grade shoot has now been intersected along a strike length of in excess of 550m and remains open at depth.

Figure 4 shows a cross-section view and Figure 5 shows a long-section view of White Dam highlighting gold grade distribution and the apparent shoot-like geometry of the high-grade mineralisation.

A zone of shallow mineralisation was intersected by BSRC0720 approximately 50m south of the historical Jinkas pit, which appears to be the southern extension of the orebody. There are historical drill holes in this location, however they were drilled on a sub-optimal azimuth, rendering the logging and assay results unsuitable for inclusion in mineral resource modelling and estimation. As such, this southern mineralised

extension of approximately 300m has not been effectively drill-tested and will need to be assessed at a later date.

Follow-up drilling has commenced subsequent to Quarter end in anticipation of a global Mineral Resource update later in the year.

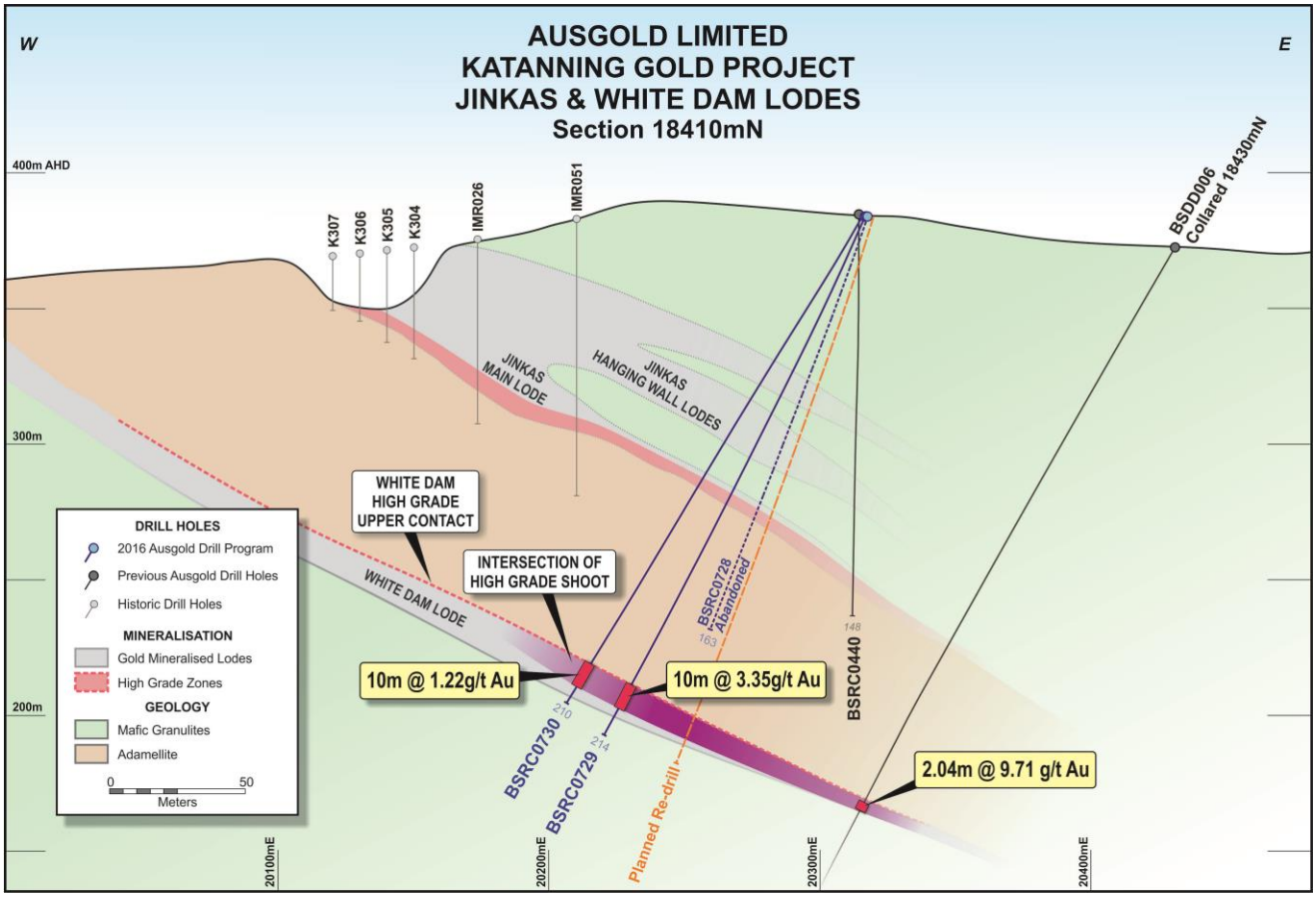

Figure 4. *White Dam project cross-section 18410mN*

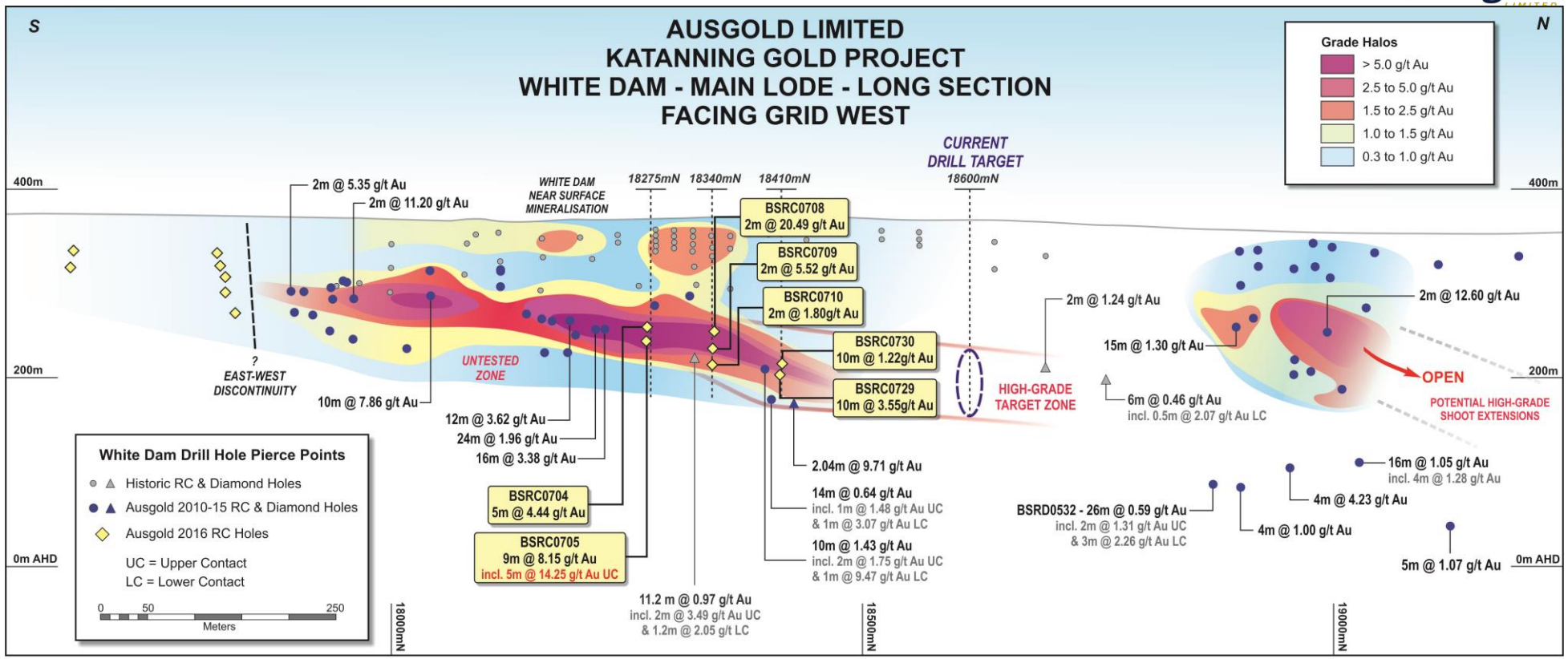

Figure 5. *White Dam showing south-north long section of Mineral Resource model, completed RC drilling, current RC drilling and interpreted extension of potential high grade shoot.*

Forward Program at the KGP

An active exploration and resource development program has been planned for the next 12 months across the Company's tenure at the KGP. Ausgold plans to undertake a significant RC drilling program at the Datatine, White Dam, Jinkas South, Fraser and Olympia deposits (see "KGP Development and Exploration Timeline 2017", Figure 6).

At White Dam, the drilling will be designed to further identify the high grade shoot up-plunge and at depth.

The Company is focused on discovery across the KGP, and subsequent to Quarter end commenced an intensive RC and AC drilling program at Datatine and in the wider Datatine area, with the initial phase comprising ~2000m RC and ~8000m AC. In line with the Company's active exploration strategy and emphasis on the importance of a detailed understanding of geology and structure at an early stage of discovery, up to 300m of diamond drilling ("DD") is also planned at Datatine. DD will provide detailed geological and structural information, which should assist in understanding the nature and control on mineralisation and ensure more accurate future drill targeting.

Milestone	1Q 2017	2Q 2017	3Q 2017	4Q 2017
Exploration RC Drilling	***Current***	Planned		Planned
Resource Development RC Drilling	Completed	Planned		
DD Drilling		Planned		
Exploration AC Drilling	***Current***		Planned	
Surface geochemistry	Planned			
Geophysics	Planned		Planned	
Mineral Resource Update	Planned (Datatine)		Planned (Global)	

Figure 6. *KGP Development and Exploration Timeline 2017*

DOOLGUNNA STATION, WESTERN AUSTRALIA (AUC 100%)

Ausgold's 100%-owned Doolgunna Project (E52/3031) covers an area of 203 square kilometers and is located in the Byrah Basin 125km NNE of Meekatharra in Western Australia (Figure 7), 20km ENE of the historical Peak Hill mining centre and 13km WNW of the DeGrussa copper-gold deposit. The tenement is contiguous with Sandfire Resources NL's Doolgunna project tenements to the east and contains both the Narracoota volcanics and the faulted contact between the Marymia Inlier and Capricorn orogeny, making the region prospective for mesothermal lode gold deposits, volcanic-hosted massive sulphide ("VMS"), shear zone-hosted copper, sedimentary hosted lead, supergene enriched manganese, banded-iron-formation iron ore and talc mineralisation.

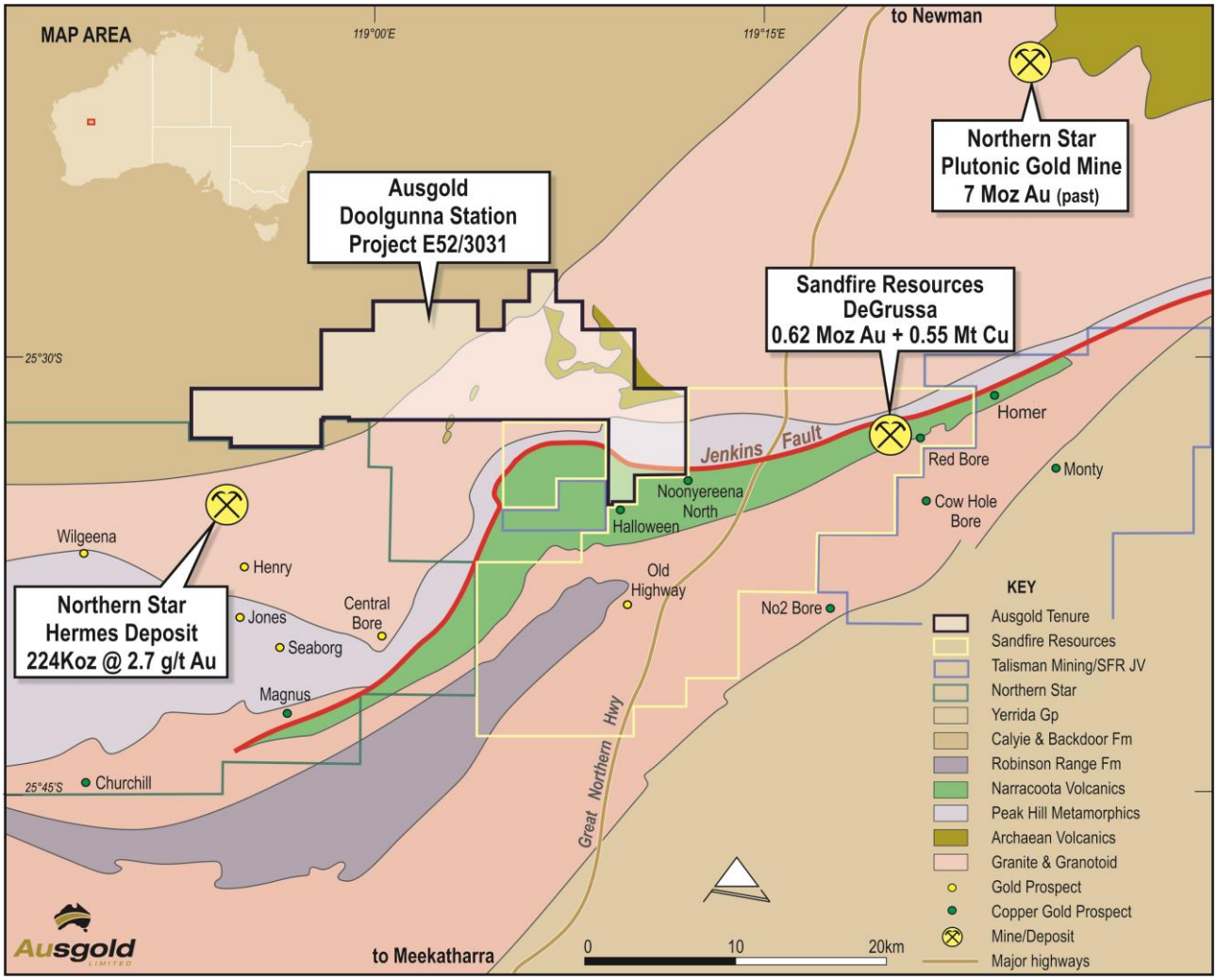

Figure 7. *Location plan of Ausgold's Doolgunna Station tenement in the Bryah Basin*

An active, multi-faceted strategy aims to systematically identify and progress new exploration targets in order to realise the value of the Doolgunna Project. During the Quarter, Ausgold undertook reconnaissance field mapping and a first pass geochemical sampling program across parts of the project (Figure 8). Results of this program are currently still subject to interpretation, with multi-element assays received from the laboratory during the January 2017 Quarter. Geological observations have proved encouraging, with prospective rock types identified during field mapping and planning for follow up work is also underway.

Previous exploration on the tenement has been limited to broad regional-type studies, including aeromagnetic interpretation, stream sediment sampling and reconnaissance soil sampling. Limited exploration has been undertaken by the Company over the prospective Narracoota volcanics and Peak Hill schist (being the host of the neighbouring DeGrussa and Hermes deposits respectively), which are largely under transported cover. The prospective geological structures associated with Northern Star Resources Limited's neighbouring Plutonic and Hermes gold deposits extend into Ausgold's Doolgunna tenement.

Regional advances in geological and structural understanding of the Byrah Basin have highlighted the region's potential to host significant gold deposits. Targeting exercises have identified four exploration target styles within the tenement area: Hermes gold-type, Peak Hill gold-type, Plutonic gold-type, and DeGrussa copper-gold VMS-type mineralisation (Figure 8).

Multiple episodes and styles of gold mineralisation are present, with typical Archaean shear zone-hosted features such as strong structural controls and dominant high-grade mineralisation plunge controls.

Typically, deposits featuring strong plunge controls have small surface geochemical 'footprints' and are known as 'blind' deposits, which further highlights the potential for new discoveries in the region.

Historical regolith mapping across E52/3031 indicates that a significant portion of the tenement has an erosional soil regime and is therefore suitable for surface geochemical sampling. However, geological logging of historical AC drilling in the area indicates the presence of transported cover in areas mapped as erosional with the depth of transported cover logged up to 32 metres. This questions the reliability and effectiveness of historical surface sampling techniques on the tenement. If the thickness of transported cover is greater than 5 metres then surface geochemical techniques are generally ineffective and any potential gold mineralisation will require shallow AC drilling to effectively test the prospectivity of the area.

These observations suggest that the Doolgunna Project area remains effectively untested for gold mineralisation and for this reason the Company proposes to undertake a systematic exploration approach.

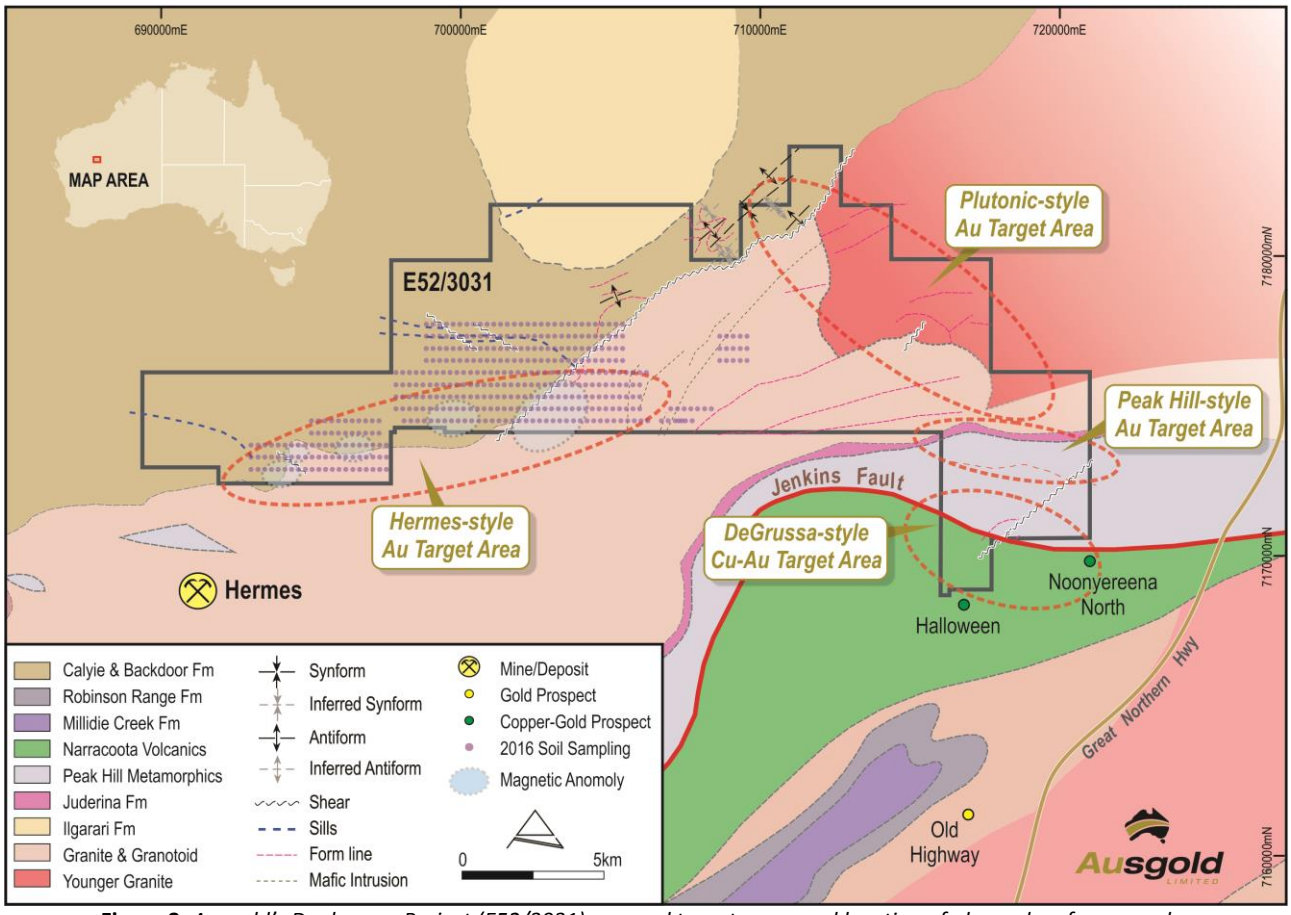

Figure 8. *Ausgold's Doolgunna Project (E52/3031), general target areas and location of planned surface samples*

CORPORATE

During the Quarter the Company placed 22,857,144 million shares at an issue price of 3.5 cents to raise approximately $800,000 before costs. The placement was managed by Hartleys Limited.

Competent Person's Statements

The information in this report that relates to Exploration Targets and Exploration Results is based on information compiled by Miss Melanie Sutterby who is a member of the Australasian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience relevant to the style of mineralisation under consideration and to the activity which she undertakes to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Miss Sutterby is an employee of Ausgold Limited and consents to the inclusion in this report of the matters based on that information in the form and context in which it appears.

The information in this report that relates to the Mineral Resource estimates is based on work done by Mr Rod Brown of SRK Consulting (Australasia) Ltd and Miss Sutterby. Miss Sutterby takes responsibility for the integrity of the exploration results, including sampling, assaying, and QA/QC, and the preparation of the geological interpretations. Mr Brown takes responsibility for the Mineral Resource estimate. Mr Brown and Miss Sutterby consent to the inclusion of that information in this report in the form and context in which it appears.

Mr Brown is a member of the Australasian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the activity that he is undertaking, to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

CONTACT DETAILS

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W: www.ausgoldlimited.com

INTEREST IN MINING TENEMENTS

State	Lease	Lease status	Project	Interest %
Western Australia Tenements				
WA	E38/2129	Granted	Yamarna	100%
WA	E38/2863	Granted	Yamarna	100%
WA	E52/3031	Granted	Doolgunna Station	100%
WA	E70/3952	Granted	Katanning Regional	100%
WA	E70/3955	Granted	Katanning Regional	100%
WA	E70/3957	Granted	Katanning Regional	100%
WA	E70/3958	Granted	Katanning Regional	100%
WA	E70/4047	Granted	Katanning Regional	100%
WA	E70/4392	Granted	Katanning Regional	100%
WA	E70/4393	Granted	Katanning Regional	100%
WA	E70/4566	Granted	Katanning Regional	100%
WA	E70/4604	Granted	Katanning Regional	100%
WA	E70/4605	Granted	Katanning Regional	100%
WA	E70/4682	Granted	Katanning Regional	100%
WA	E70/4728	Granted	Katanning Regional	100%
WA	E70/4896	Application	Katanning Regional	100%
WA	E70/4907	Application	Katanning Regional	100%
WA	E70/4908	Application	Katanning Regional	100%
WA	E70/2928	Granted	Katanning Gold Project	100%
WA	M70/210	Granted	Katanning Gold Project	100%
WA	M70/211	Granted	Katanning Gold Project	100%
WA	M70/488	Granted	Katanning Gold Project	100%
WA	G70/84	Granted	Katanning Gold Project	100%
WA	G70/85	Granted	Katanning Gold Project	100%
WA	L70/13	Granted	Katanning Gold Project	100%
WA	L70/32	Granted	Katanning Gold Project	100%
WA	L70/33	Granted	Katanning Gold Project	100%
Queensland Tenements				
QLD	EPM17054	Granted	Cracow	100%

+Rule 5.5

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

AUSGOLD LIMITED

ABN	**Quarter ended ("current quarter")**
67 140 164 496	31 December 2016

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(472)	(778)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(121)	(247)
	(e) administration and corporate costs	(104)	(306)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	2	2
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	-
1.8	Other - insurance claim refund	9	98
1.9	**Net cash from / (used in) operating activities**	**(686)**	**(1,231)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(79)	(79)
	(b) tenements (see item 10)	-	-
	(c) investments	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
	(d) other non-current assets	-	-
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)	-	(74)
2.6	**Net cash from / (used in) investing activities**	**(79)**	**(153)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	800	1,850
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	(39)	(76)
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**	**761**	**1,774**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	515	121
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(686)	(1,231)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(79)	(153)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	761	1,774

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**511**	**511**

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	511	515
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)**	**511**	**515**

6.	Payments to directors of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	59
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

Directors' fees and salary, Director's annual leave payment and superannuation.

7.	Payments to related entities of the entity and their associates	Current quarter $A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	40
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

Payment for use of office premises and associated facilities.

8.	Financing facilities available *Add notes as necessary for an understanding of the position*	Total facility amount at quarter end $A'000	Amount drawn at quarter end $A'000
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	1,100
9.2	Development	-
9.3	Production	-
9.4	Staff costs	123
9.5	Administration and corporate costs	100
9.6	Other (provide details if material)	-
9.7	**Total estimated cash outflows**	**1,323**

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

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Sign here: _____ Date: 31 January 2017
Director/Company Secretary

Print name: Denis Ivan Rakich

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.