



## Quarterly Report for period ending 31 March, 2018

### Highlights:

- Major exploration activity continued at Katanning Gold Project (KGP), including AC, RC and diamond drilling programs
- RC drilling at Jinkas South identifies high grade gold mineralisation, suggesting significant potential to expand Jinkas Resource
- AC, RC drilling and gravity data highlight prospectivity of southern KGP
- Silver and zinc in drilling results from Datatine prospect point to new deposit style that will inform regional targeting
- Understanding of controls on high grade mineralisation at KGP rapidly improving

Ausgold Limited (ASX: AUC) ("Ausgold" or "the Company") is pleased to present its Quarterly Report for the period ended 31 March, 2018. Activities during the quarter focused primarily on advancing the 100%-owned Katanning Gold Project (KGP), 40km from the township of Katanning in Western Australia, with a total of 13,137 metres of air core (AC), reverse circulation (RC) and diamond drilling completed.

### Management Comment

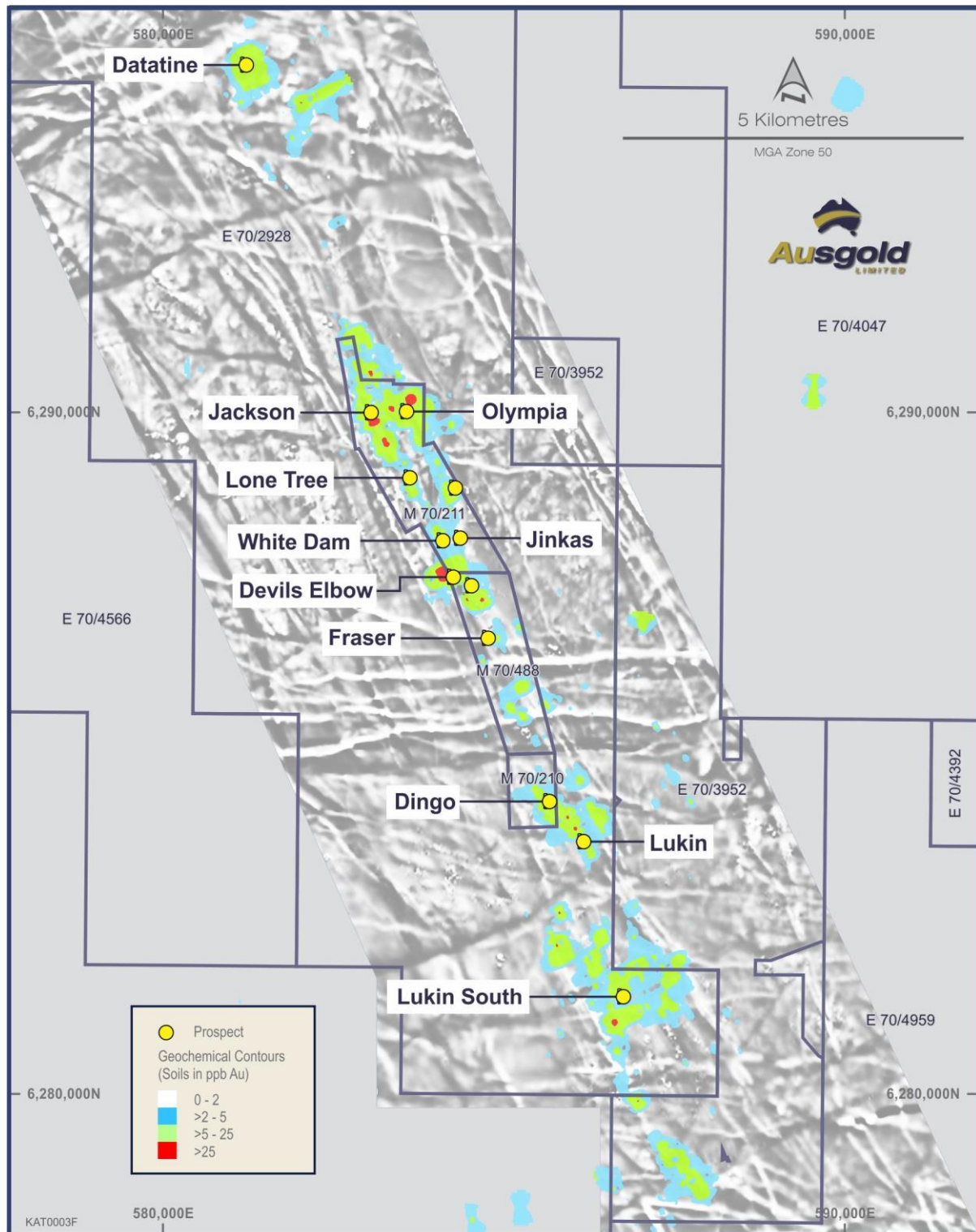
Ausgold Chief Executive Officer and Managing Director Dr Matthew Greentree said:

*"Our focus during the March quarter was solely on the Katanning Gold Project and building a better understanding of the asset as a whole. Rather than just repeating what's been done in the past and making incremental progress, we want to deliver a step-change in terms of scale and grade to elevate the project into a different class. The results we've seen from the drilling undertaken to date suggest that we are on the right track to meet this objective."*

## Katanning Gold Project, WA

### AUC interest 100%

The March quarter saw the commencement of a major, 24,000m RC drilling program at the KGP designed to better understand the geology and identify gold mineralisation within a 10-kilometre radius of existing Resources (Table 1 and Figure 1), as well as the completion of a 7,810m AC program to assist in target prioritisation and a six-hole, 676m diamond drilling program to better assess the potential of the Datatine prospect.



**Figure 1 - Location of prospects within the Katanning Gold Project shown with contoured gold in soil over total magnetic intensity aeromagnetic image**

### **RC drilling – Jinkas South**

RC drilling began at the start of February with 32 holes for 6,216m completed on wide-spaced traverses over the Jinkas South, Fraser, Lukin, Jackson and Olympia prospects. Initial drilling along the newly identified trend south of the current Jinkas Resource (Jinkas South, Figure 2 and

**Figure 3**) intersected a broad zone of gold mineralisation with significant intercepts including:

- 10m at 2.09 g/t Au from 84m including 1m at 15.05 g/t Au from 93m (hole BSRC0759);
- 7m at 2.09 g/t Au from 69m including 4m at 3.15 g/t Au from 71m (hole BSRC0761);
- 8m at 2.01 g/t Au from 96m including 4m at 3.29 g/t Au from 100m (hole BSRC0763); and
- 2m at 3.32 g/t Au from 58m (hole BSRC0759)

An additional eight holes for 1,138m were drilled at Jinkas South during March following up the initial results and seeking to expand the broad zone of mineralisation identified at the prospect, which lies 275m to the south of the Jinkas Resource (6.75 million tonnes at 1.45 g/t Au for 315,700 ounces of gold, Table 1).

The eastern-most hole drilled in this program intersected a significant zone of high grade gold mineralisation similar in width and grade to those returned in drilling along the northern portion of the Jinkas Resource.

- Assays of the hole returned 26m at 6.6 g/t Au from 117m, including 4m at 37.19 g/t Au from 119m and 4m at 3.35 g/t Au from 124m (hole BSRC0814)

The mineralisation intersected in hole BSRC0814 is east of, and down dip from, the quartz monzonite that separates the Jinkas lode from the White Dam (Fraser Resource) lode (Figure 4). In this position, the Jinkas and White Dam lodes are brought closer together, partly explaining the width of the intercept in BSRC0814. This position has not been tested in past exploration drilling and thus provides a proof of concept.

The recent results from Jinkas South support the Company's geological interpretation and suggest there is significant potential to extend the Jinkas Resource along strike to the south and down-dip to the east. There is at least 650m of potential strike length at Jinkas South, in addition to the existing 1,400m strike length of the Jinkas Resource.



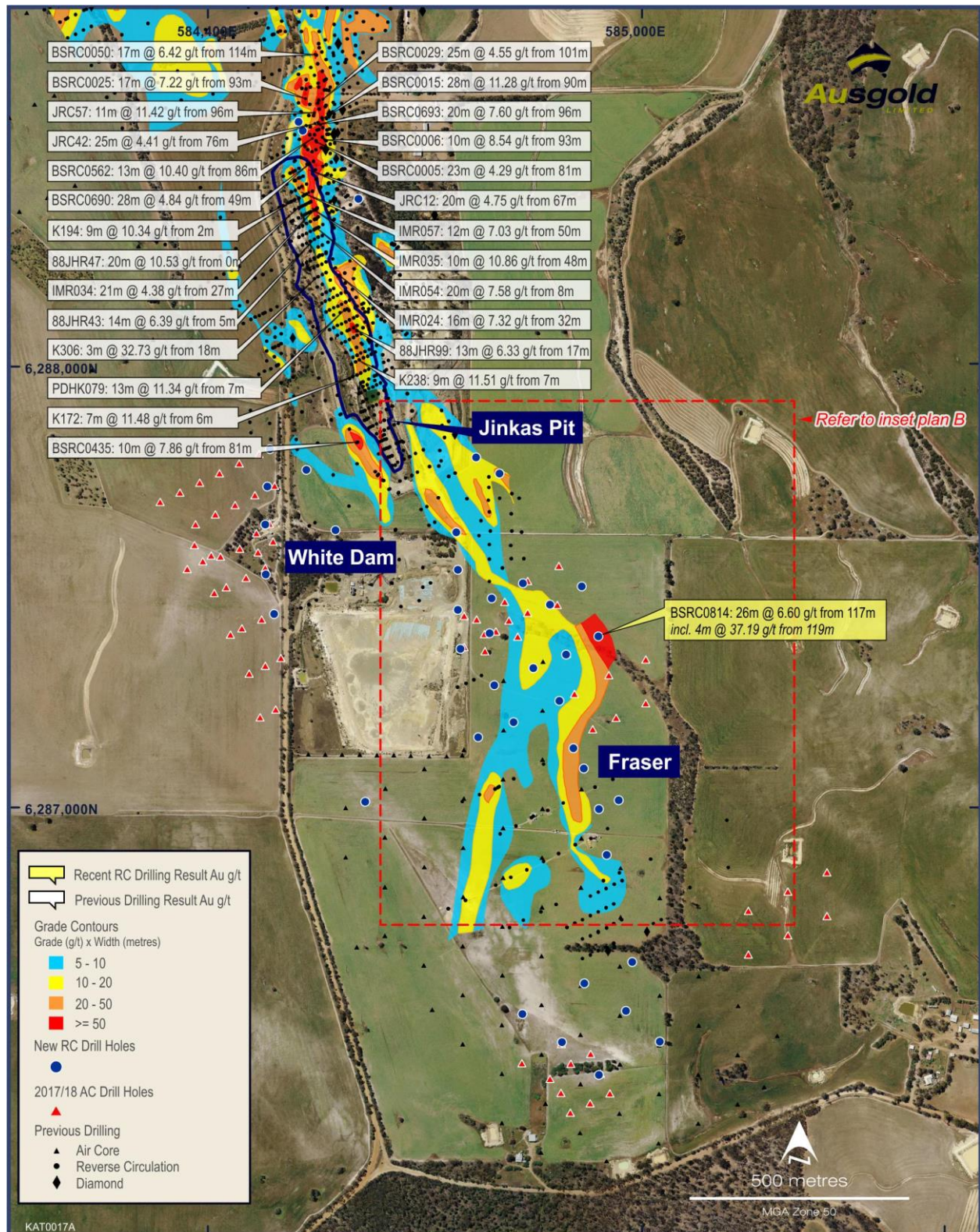


Figure 2 - Gold grade shown as gram metres (grade x intercept width) showing the trend of mineralisation along the central KGP south of the Jinkas Resource area (location on shown inset A on

Figure 3)



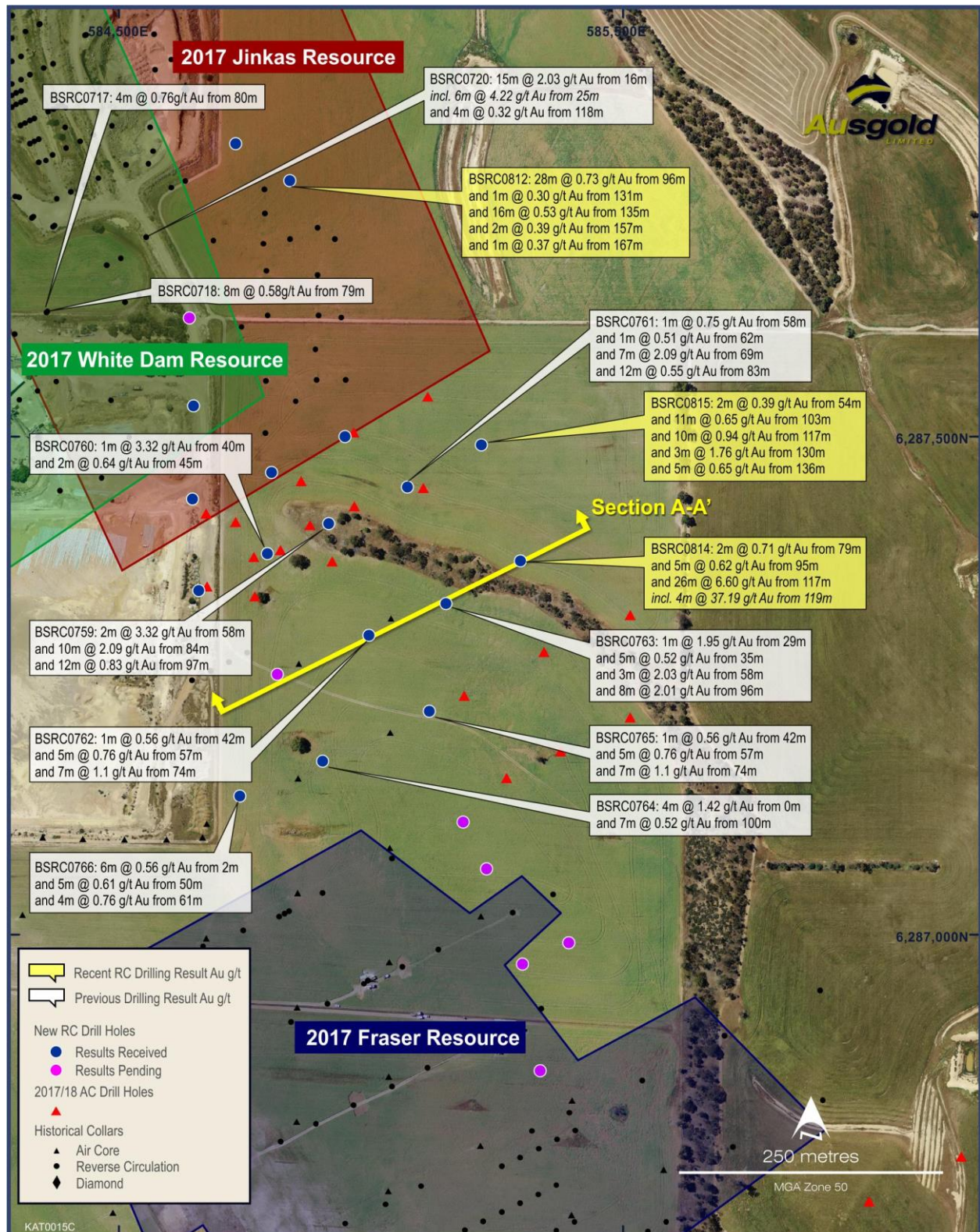
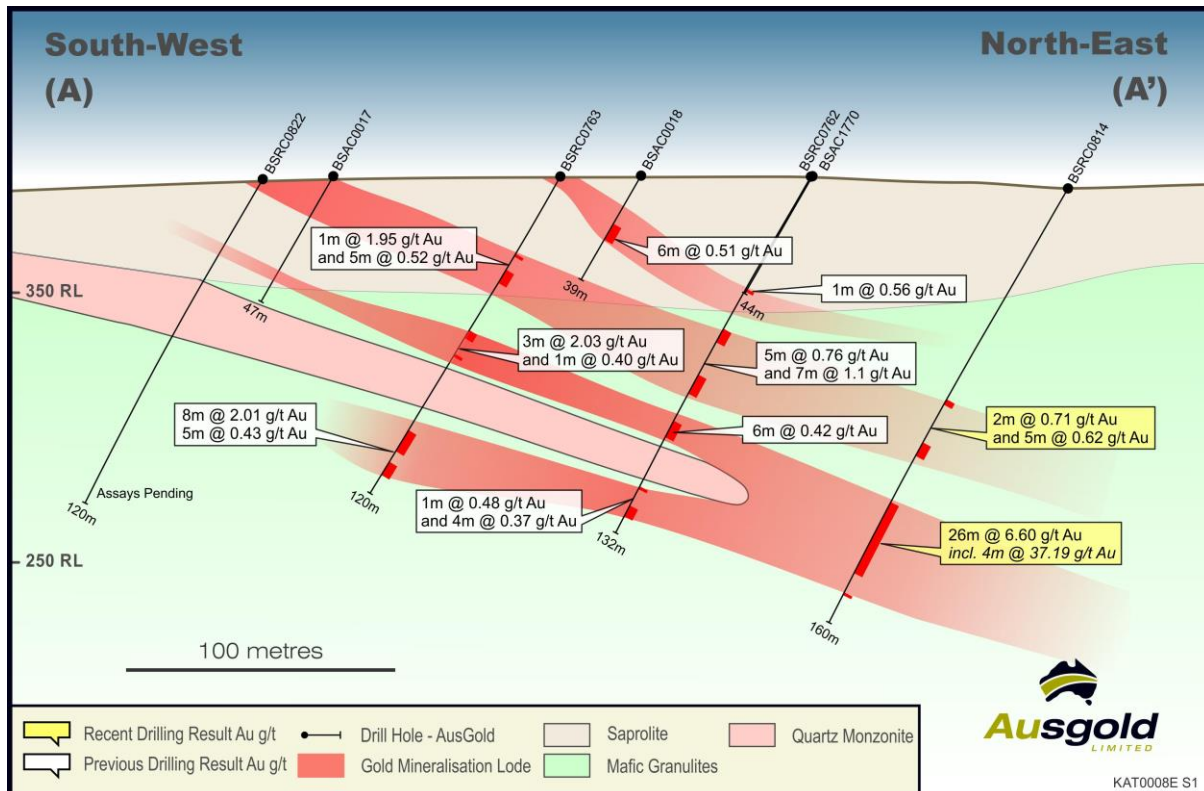


Figure 3 - Recent drilling at Jinkas South and relative position of resource areas (location shown as Inset plan B on Figure 2)



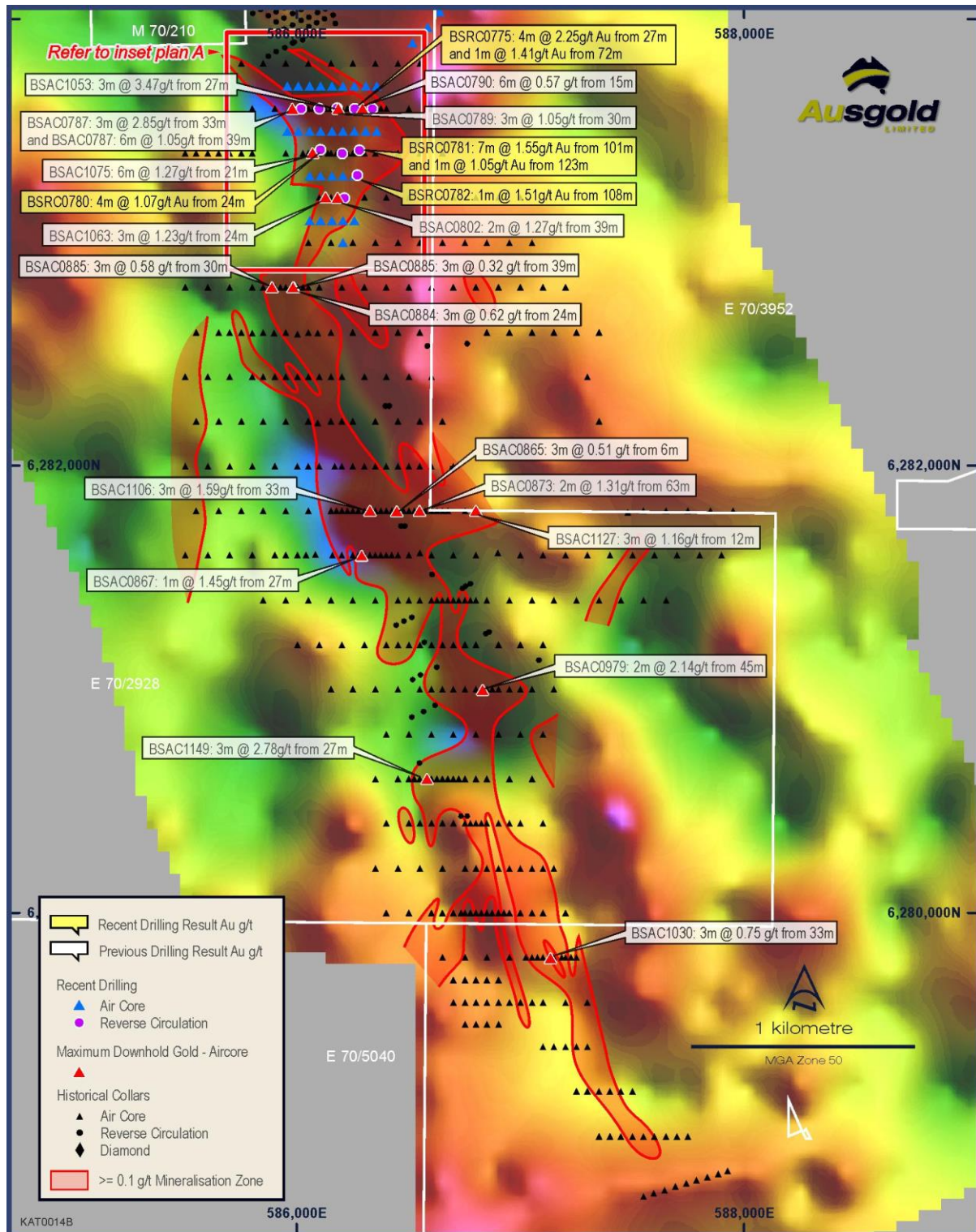
**Figure 4 - Cross-section through Jinkas South (see Figure 3 for location)**

### RC and AC drilling - Lukin

A program of 10 RC holes for 1,148m and 29 AC holes for 1,351m was conducted between January and February at the Lukin prospect (Figure 5 and Figure 6), which is located 500m south of the Dingo deposit, the southern-most deposit that contributes to the global KGP Mineral Resource.

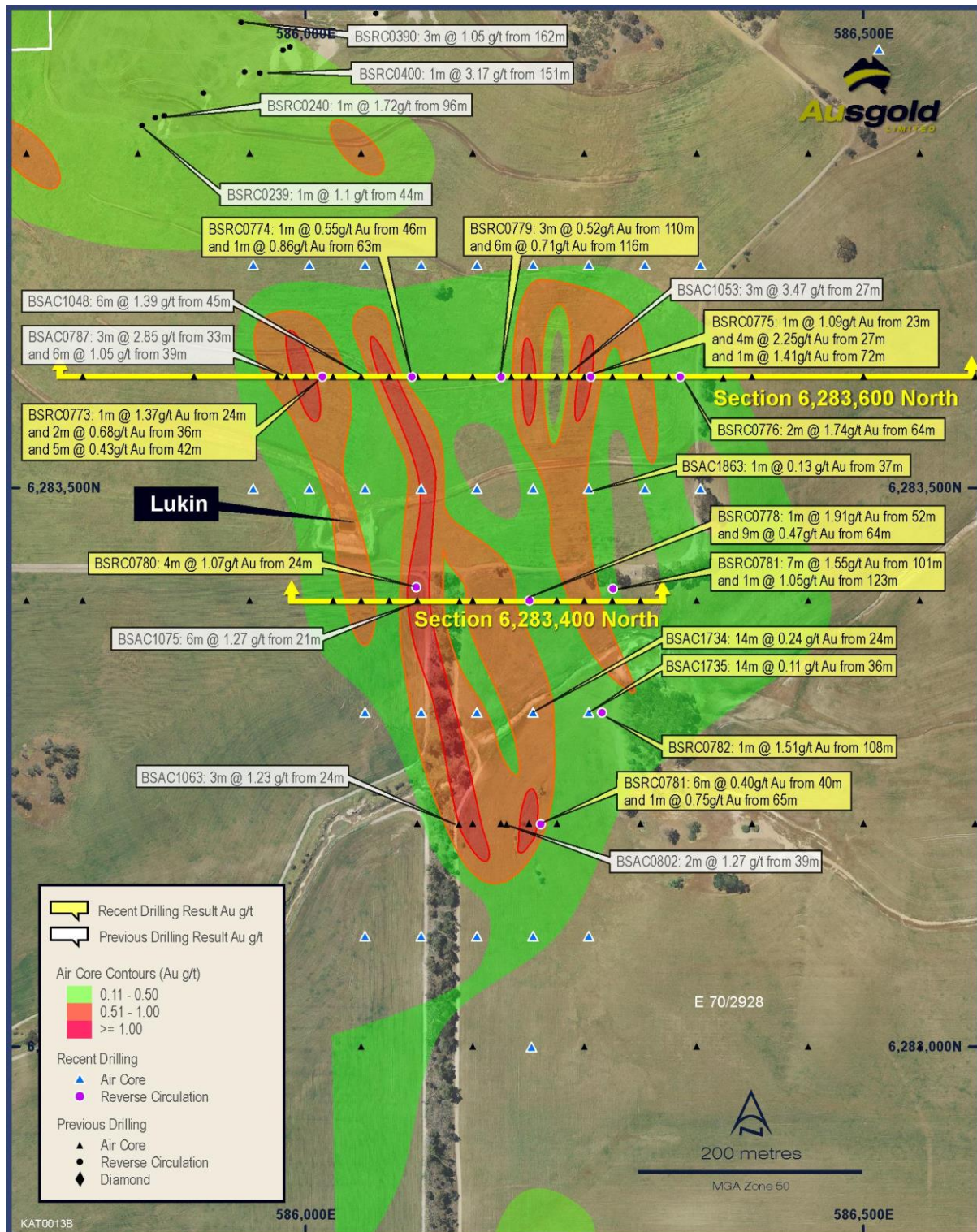
This wide-spaced drilling was designed to follow up AC drilling undertaken in 2012 and 2013 that pointed to the prospectivity of the southern portion of the KGP. Combined with new detailed ground gravity data, the recent drilling confirmed gold mineralisation over a strike length of 6km. The interpretation is further supported by the drilling and gravity data, which suggests that the southern KGP represents a significant exploration target and could produce additional significant stand-alone discoveries.





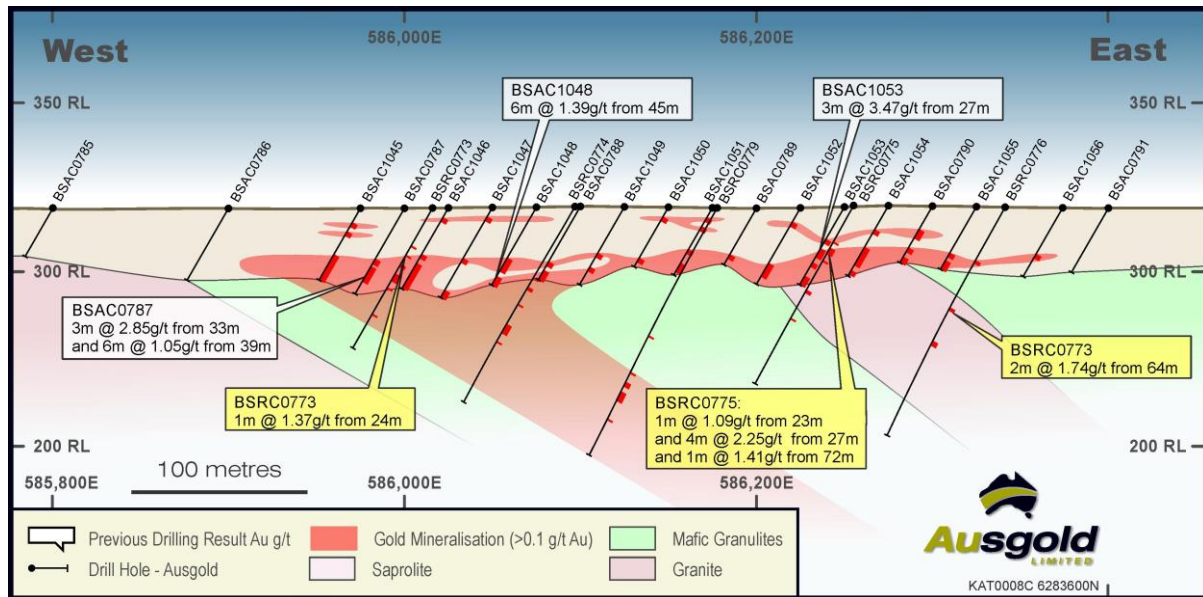
**Figure 5 - Contoured gold mineralisation (> 0.1 g/t) intercepted in AC drilling along the southern KGP shown over the recent ground gravity survey. Gravity highs shown with warm colours (red –purple)**



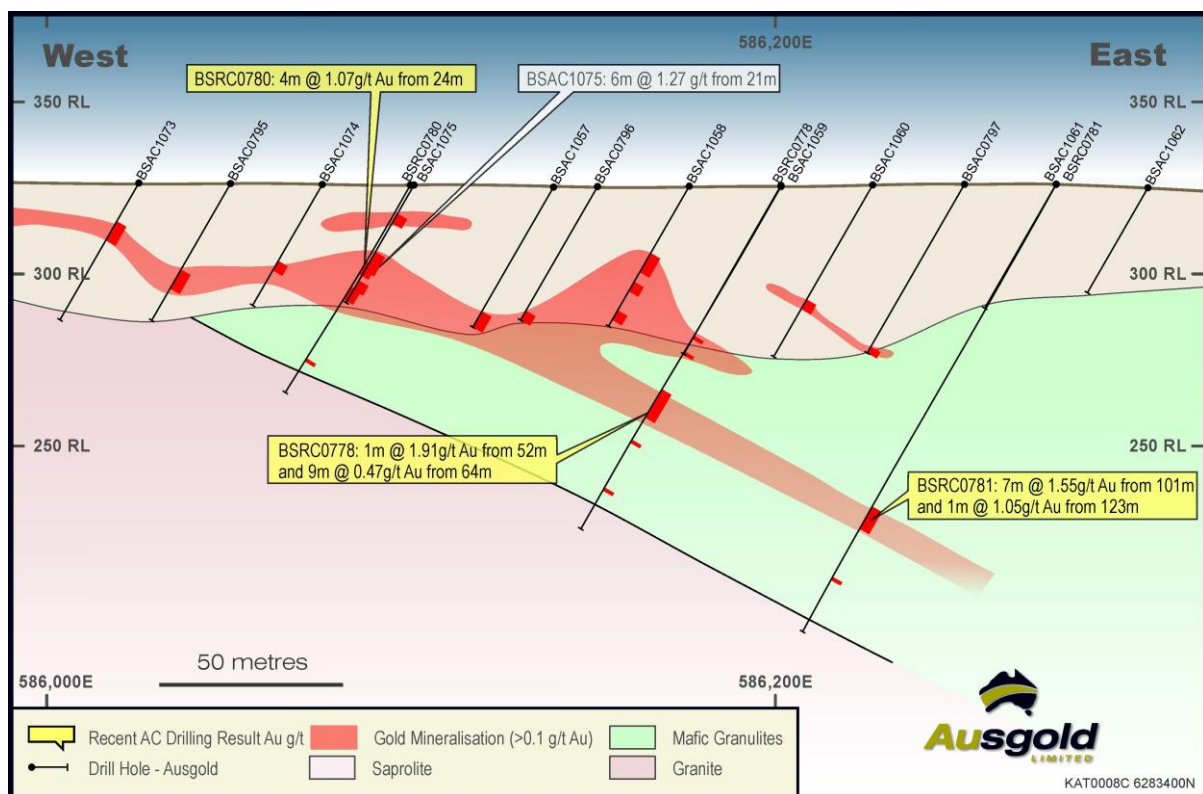


**Figure 6 - Location of the Lukin Prospect with contoured maximum down hole gold intercepted in AC drilling (see Figure 5 inset plan A for location)**





**Figure 7 - Cross-section 6 283 600N (see Figure 6 for location)**



**Figure 8 - Cross-section 6 283 400N (see Figure 6 for location)**

### **Diamond and aircore drilling - Datatine**

Over the course of the December 2017 and March 2018 quarters, Ausgold completed a six-hole, 676m diamond drilling program at the Datatine prospect, approximately 8km north of the main KGP Resource areas (Figure 9). The program was undertaken with funding assistance provided through the WA government's Exploration Incentive Scheme.

Datatine differs from the more southern portions of the KGP in that the host rocks and mineralisation strike in an easterly direction with a southern dip as opposed to north-westerly strike with an easterly dip (Figure 10 and Figure 11). The diamond drilling was planned to better understand this geometry and was completed along three separate sections. Gold was intersected in all holes, with significant intercepts including:

- 5.2m at 3.03 g/t Au from 47.8m including 2m at 6.51 g/t Au from 51m (hole BSDD011)
- 13.4m at 1.7 g/t Au from 66m including 1.35m at 5.58 g/t Au from 71.5m (hole BSDD011)
- 1m at 1.39 g/t Au from 23m (hole BSDD012)
- 8.7m at 1.0 g/t Au from 31m including 1m at 2.0 g/t Au from 34m (hole BSDD013)
- 2m at 3.91 g/t Au from 92m (hole BSDD014)

Elevated silver (up to 53.5 g/t Ag) and zinc (up to 0.16% Zn), as identified in holes BSDD011 and BSDD013 (Figure 11), had not previously been observed in drilling at Datatine, with previous campaigns only assaying for gold. The presence of these minerals is not yet well understood, but it suggests a style of mineralisation not previously encountered in the region. Petrological examination of samples from BSDD011 identified the mineral gahnite ( $\text{ZnAl}_2\text{O}_4$ ), a zinc-rich mineral which is more commonly associated with metamorphosed base metals deposits.

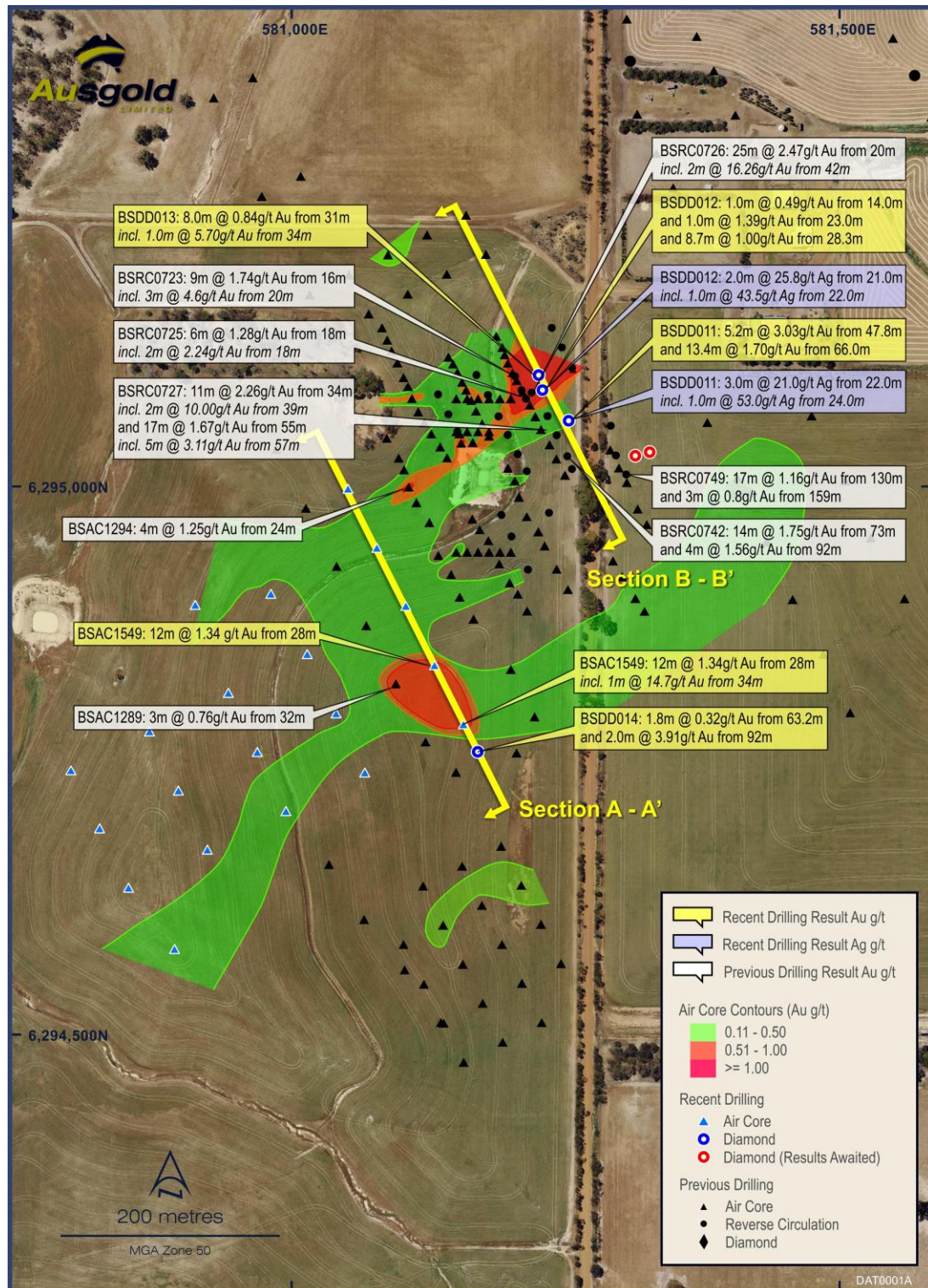
Two significant silver intercepts were returned:

- 3m at 21 g/t Ag from 22m including 1m at 53.5 g/t Ag (hole BSDD011)
- 2m at 26 g/t Ag from 21m including 1m at 43.5 g/t Ag (hole BSDD012)

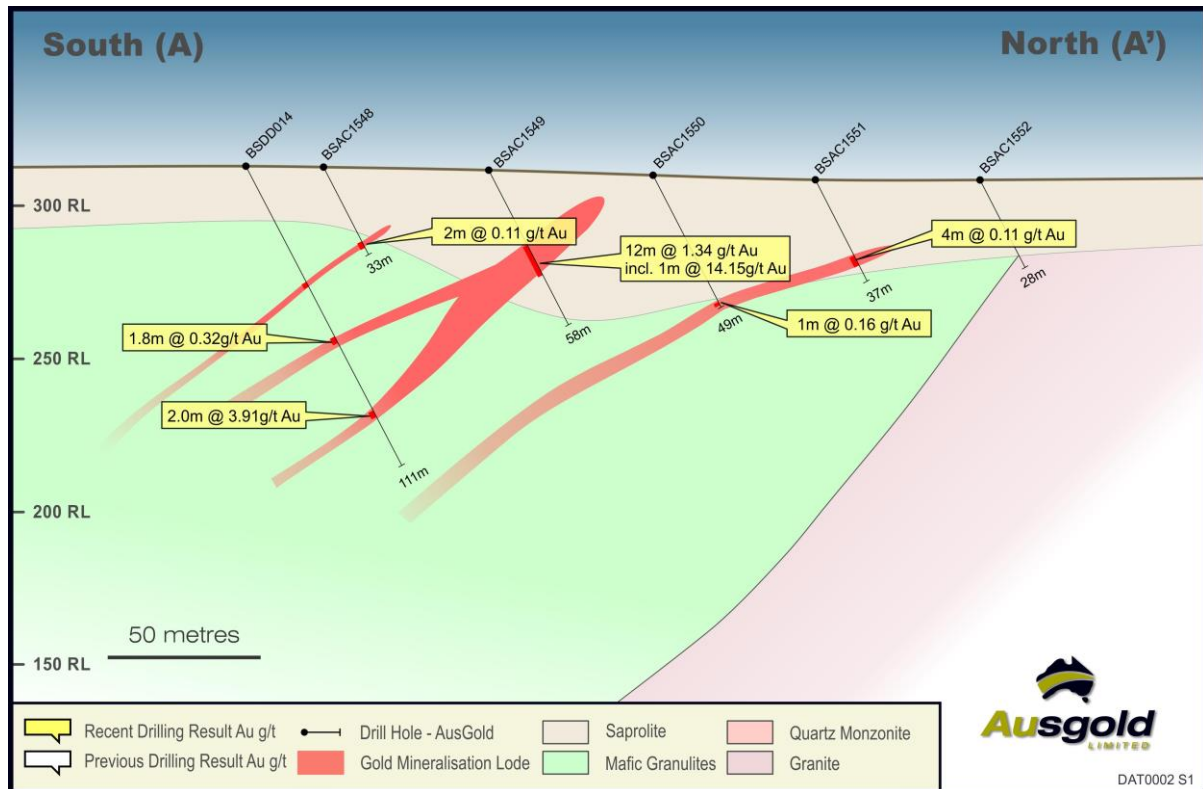
AC drilling was also conducted at Datatine during the quarter, with 24 holes drilled for 816 metres (Figure 9). This drilling was completed along strike from previously identified mineralisation. Bottom-of-hole geology was used to map the geological contact between the granite and previously undrilled areas of mafic-intermediate granulite similar to the rocks that are known to host gold mineralisation.

Drilling delineated the prospective contact between the mafic granulite and the granite footwall a further 600m west. Drilling has also highlighted a second parallel mineralised trend to the south. Follow-up RC drilling is planned at Datatine to test the strike extents of mineralisation.

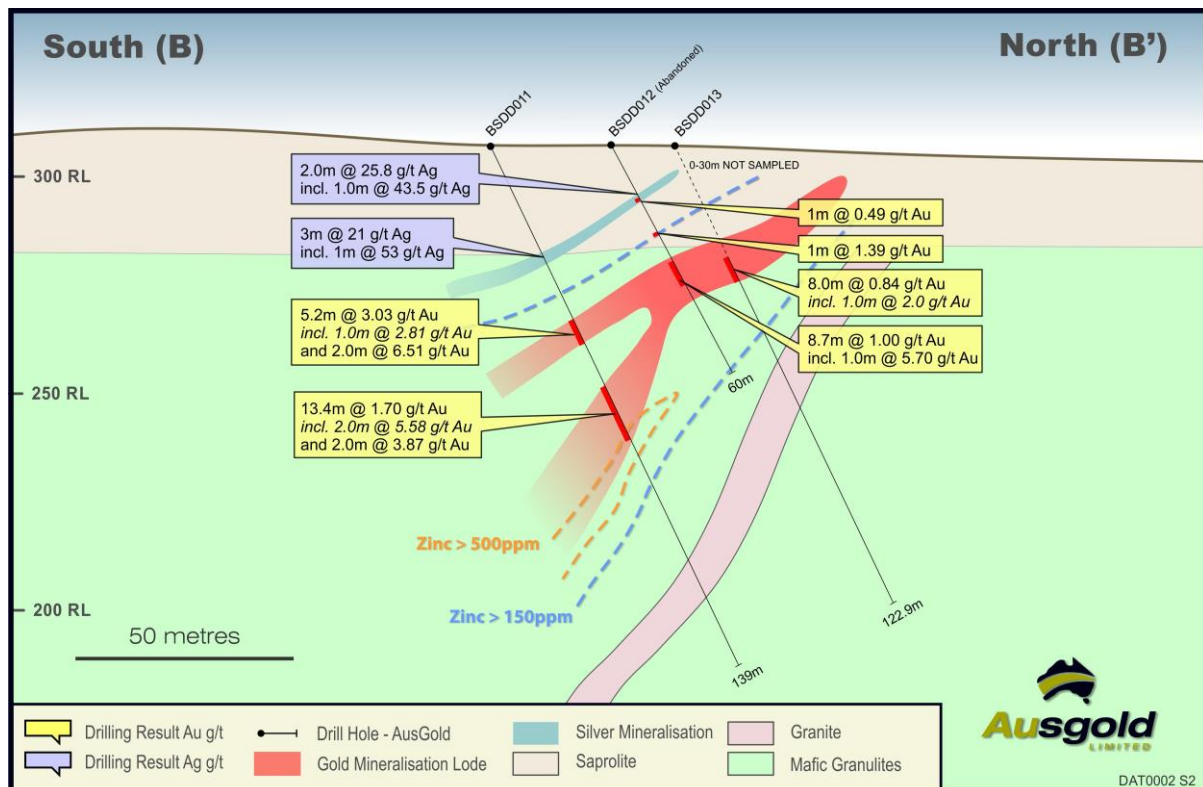




**Figure 9 - Location of drilling at the Datatine prospect with contoured maximum downhole gold intercepts in Aircore drilling**



**Figure 10 - Cross-section A-A'**



**Figure 11 - Cross-section B-B'**



### Mineral Resource

The current JORC 2012 Mineral Resource estimate for KGP is 20.98Mt at 1.17 g/t Au for 785,800 ounces of gold.

**Table 1: KGP Mineral Resource estimate 2017 prepared by SRK Consulting in accordance with JORC 2012 (ASX Release 3 August 2017).**

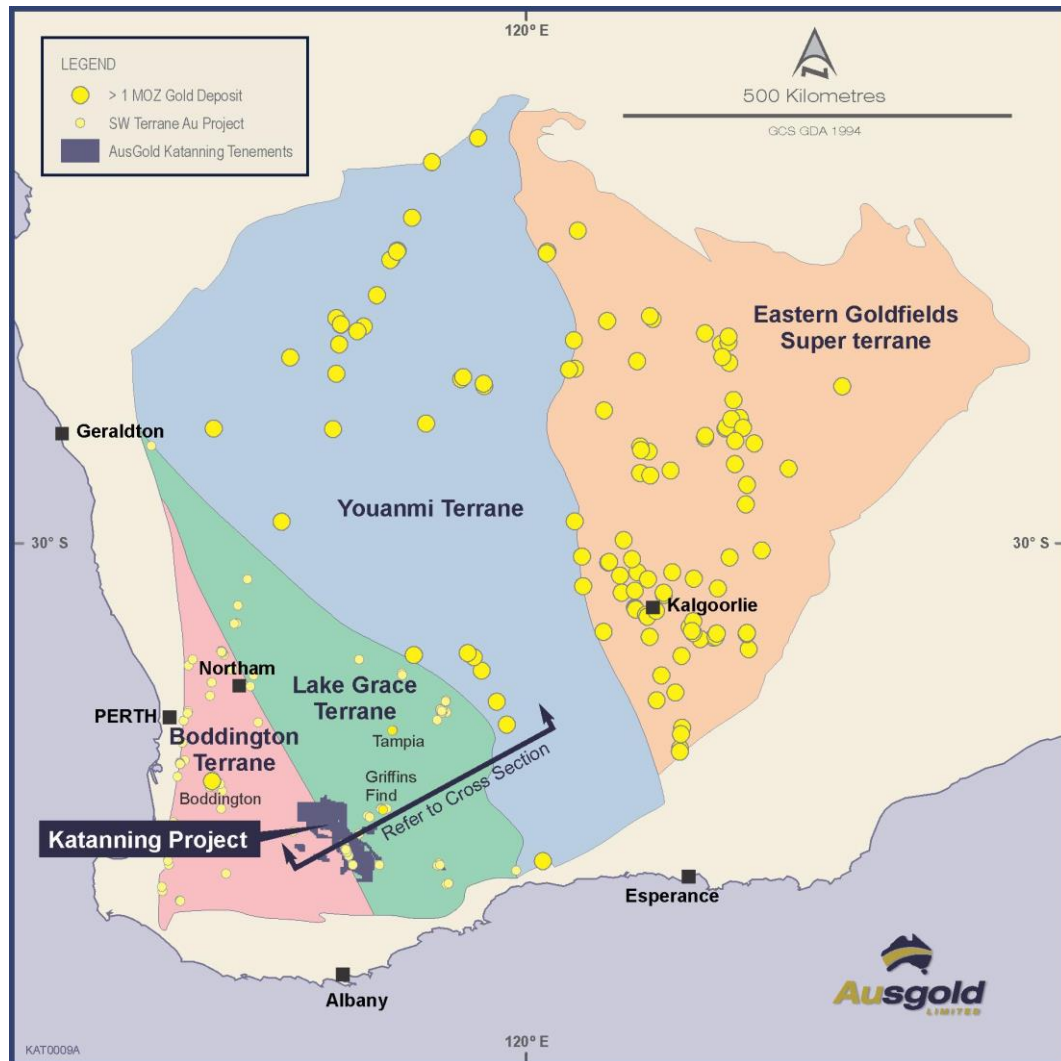
| Lode         | Measured    |             |              | Indicated   |             |              | Inferred     |             |              | Total        |             |              |
|--------------|-------------|-------------|--------------|-------------|-------------|--------------|--------------|-------------|--------------|--------------|-------------|--------------|
|              | Tonnes (Mt) | Grade (g/t) | Koz          | Tonnes (Mt) | Grade (g/t) | Koz          | Tonnes (Mt)  | Grade (g/t) | Koz          | Tonnes (Mt)  | Grade (g/t) | Koz          |
| Jinkas       | 2.61        | 2.06        | 173.1        | 1.80        | 1.10        | 64.0         | 2.33         | 1.05        | 78.8         | 6.75         | 1.45        | 315.7        |
| Dingo        | 0.44        | 1.22        | 17.1         | 3.58        | 1.05        | 120.0        | 0.69         | 0.71        | 16.0         | 4.70         | 1.01        | 153.2        |
| Jackson      | -           | -           | -            | 7.81        | 1.22        | 30.5         | 0.39         | 1.06        | 13.7         | 1.18         | 1.16        | 44.2         |
| Lone Tree    | -           | -           | -            | 0.17        | 0.93        | 5.0          | 1.2          | 0.76        | 29.2         | 1.37         | 0.78        | 34.3         |
| White Dam    | -           | -           | -            | 0.39        | 0.99        | 12.5         | 3.27         | 1.34        | 141.0        | 3.67         | 1.30        | 153.7        |
| Fraser       | -           | -           | -            | -           | -           | -            | 3.31         | 0.80        | 84.7         | 3.31         | 0.80        | 84.7         |
| <b>Total</b> | <b>3.05</b> | <b>1.94</b> | <b>190.0</b> | <b>6.73</b> | <b>1.07</b> | <b>232.4</b> | <b>11.20</b> | <b>1.01</b> | <b>363.3</b> | <b>20.98</b> | <b>1.17</b> | <b>785.8</b> |

Note: The estimates are based on a 0.5 g/t Au cut-off applied to individual model cells located above 210 mRL and a minimum elevation of 275 mRL was used for Fraser.

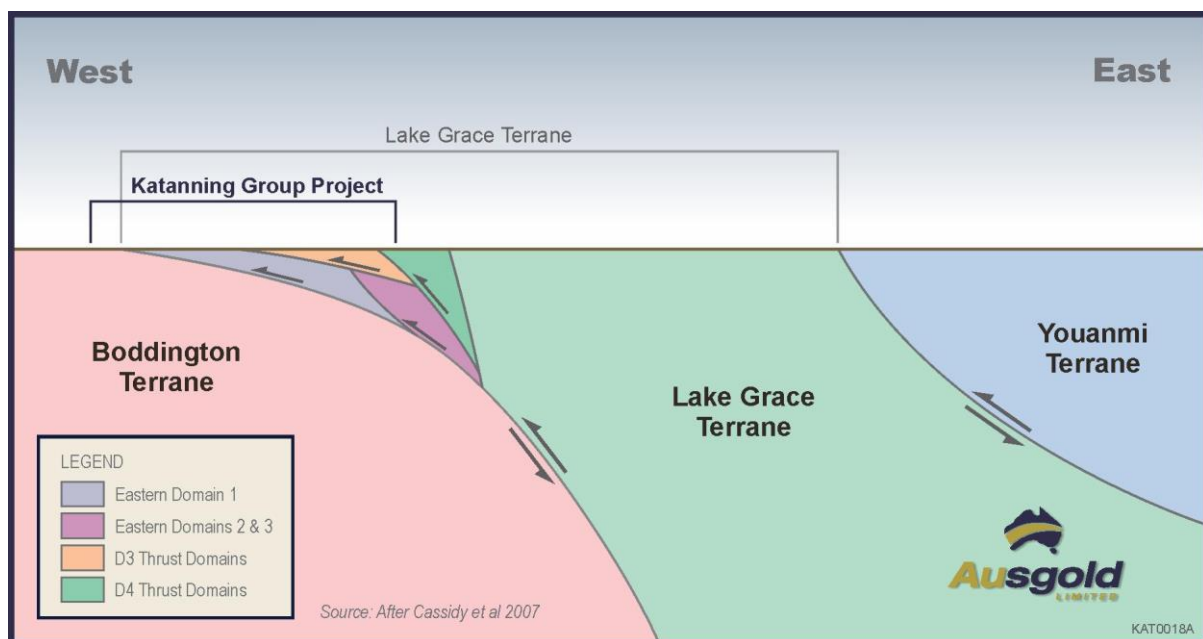
### Regional Katanning Exploration

During the quarter exploration work across Ausgold 4,340 km<sup>2</sup> tenure at the KGP continued, with newly defined targets identified through the recently acquired ground gravity combined with openfile aeromagnetic data. The regional geophysics was used to identify regionally significant structures and the prospective mafic-intermediate granulite rocks, similar to those that host gold mineralisation within the KGP. This new geological interpretation has also improved the understanding of the KGP, highlighting key crustal scale faults that separate the Boddington Domain from the Lake Grace Domain (Figure 12 and Figure 13).

Ausgold's ongoing prospectivity study of the region has identified the Red Hill vanadium project, located approximately 20 km north of Katanning (Figure 14). Past exploration has identified near surface vanadiferous mineralisation which has broad-spaced drilling, including 93 RC holes (6,681m) and six diamond holes (787.7m). Ausgold is currently assessing the economic potential of this project.

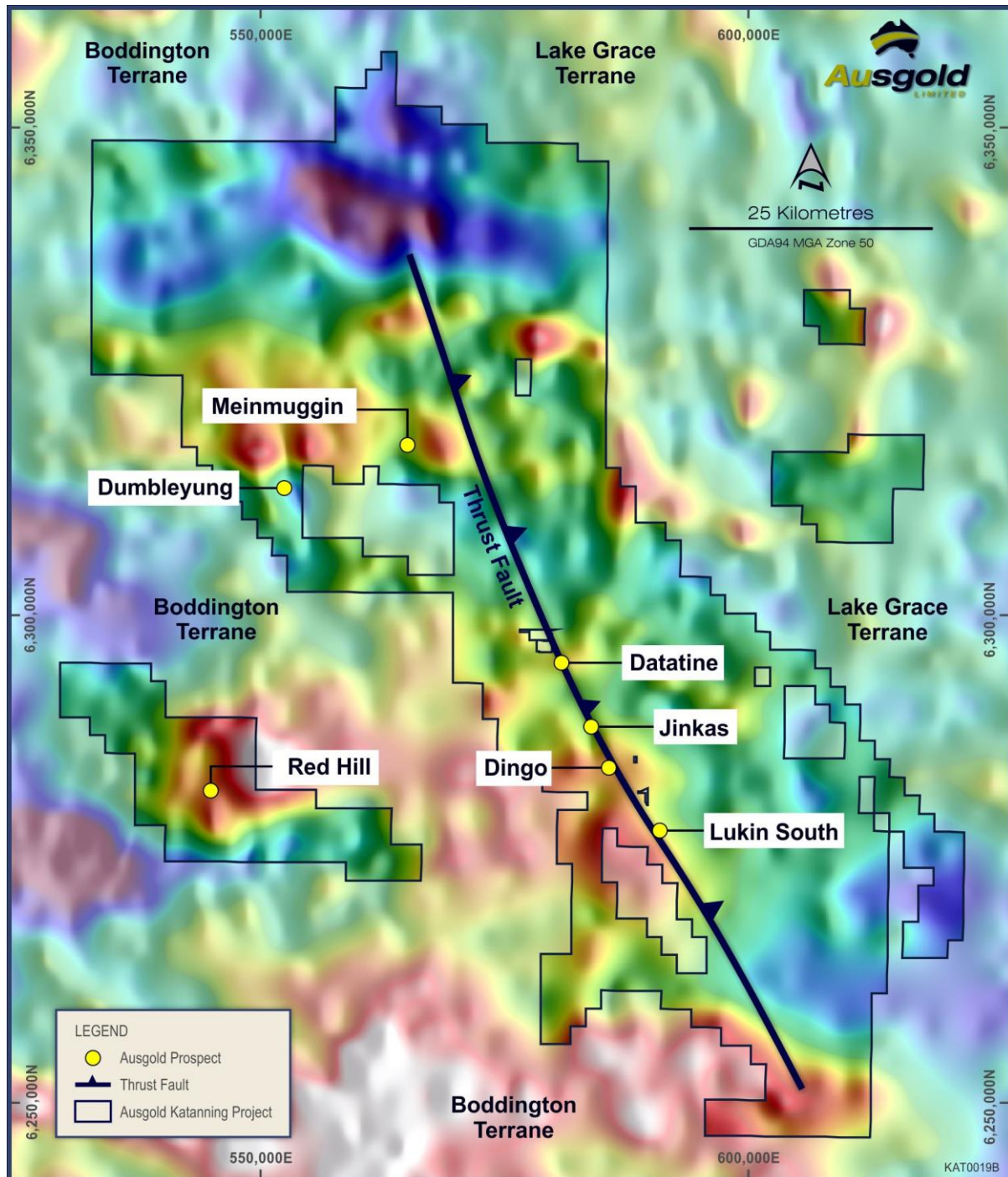


**Figure 12 - Regional interpretation of the Yilgarn Craton**



**Figure 13 - Interpreted cross-section through the regional KGP (location shown in Figure 12)**





**Figure 14 - Regional project location map shown with regional gravity image and interpreted margin between Boddington and Lake Grace Terranes**

## Doolgunna Station, WA

### AUC interest 100%

The Doolgunna Station Project is located in the Bryah Basin 150 kms north east of Meekatharra, WA (Figure 15). The Project comprises E 52/3031 covering 176 km<sup>2</sup> located approximately 13 kms to the west and along trend from the DeGrussa copper-gold operations of Sandfire Resources Limited.

A field assessment of the Project has highlighted the strong potential not only for DeGrussa-style VHMS mineralisation but also orogenic Plutonic-style gold mineralisation.

No meaningful exploration was carried out on the Doolgunna Station Project during the March quarter as the Company focused on advancing the KGP.

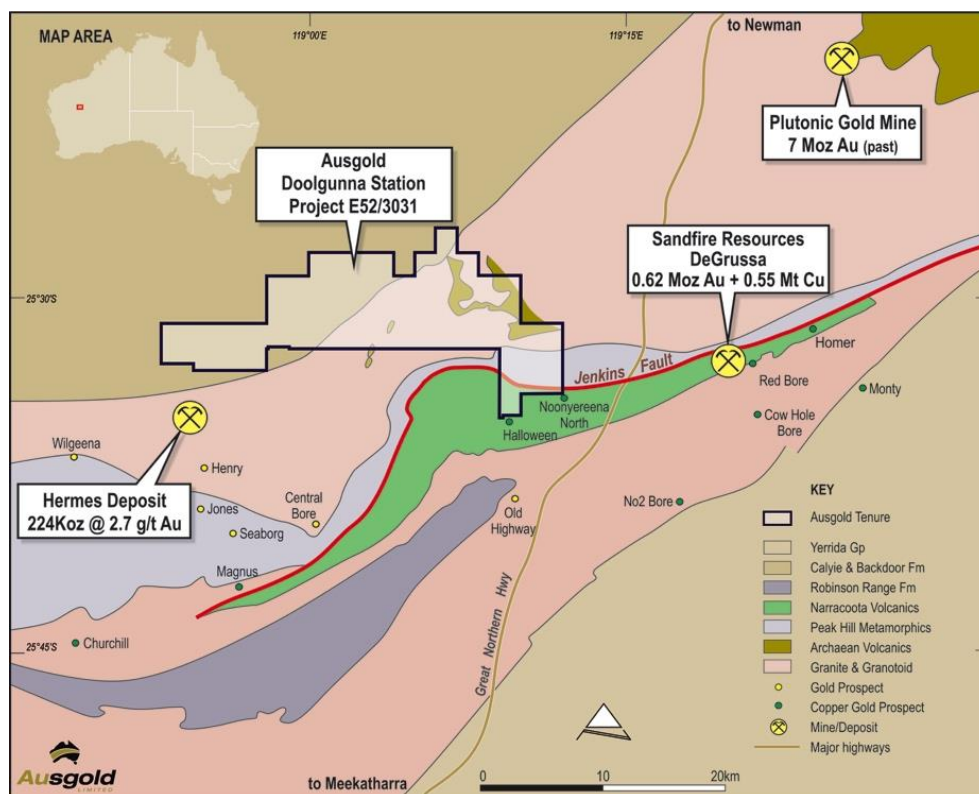


Figure 15 - Geological map showing the location of the Doolgunna Station Project



## Yamarna, WA

### AUC interest 100%

The Yamarna Project is located approximately 125km north-east of Laverton in central Western Australia on Exploration Licences E38/2129 and E38/2863 (Figure 16). The Project area cover 300km<sup>2</sup> of prospective ground over the Yamarna Belt, the eastern-most Archean greenstone belt of the Yilgarn Craton.

Past exploration by Ausgold identified disseminated sulphides (up to 10%) comprising chalcopyrite (copper-iron sulphide), pentlandite (iron-nickel sulphide) and pyrite (iron sulphide) contained within mafic-ultramafic rocks. A review by Fathom Geophysics identified nine Ni-Cu-Co, four PGE and 15 gold targets in the project area based on geophysical responses combined with structural complexity and favourable interpreted lithology.

No meaningful exploration was carried out on the Yamarna Project during the March quarter as the Company focused on advancing the KGP.

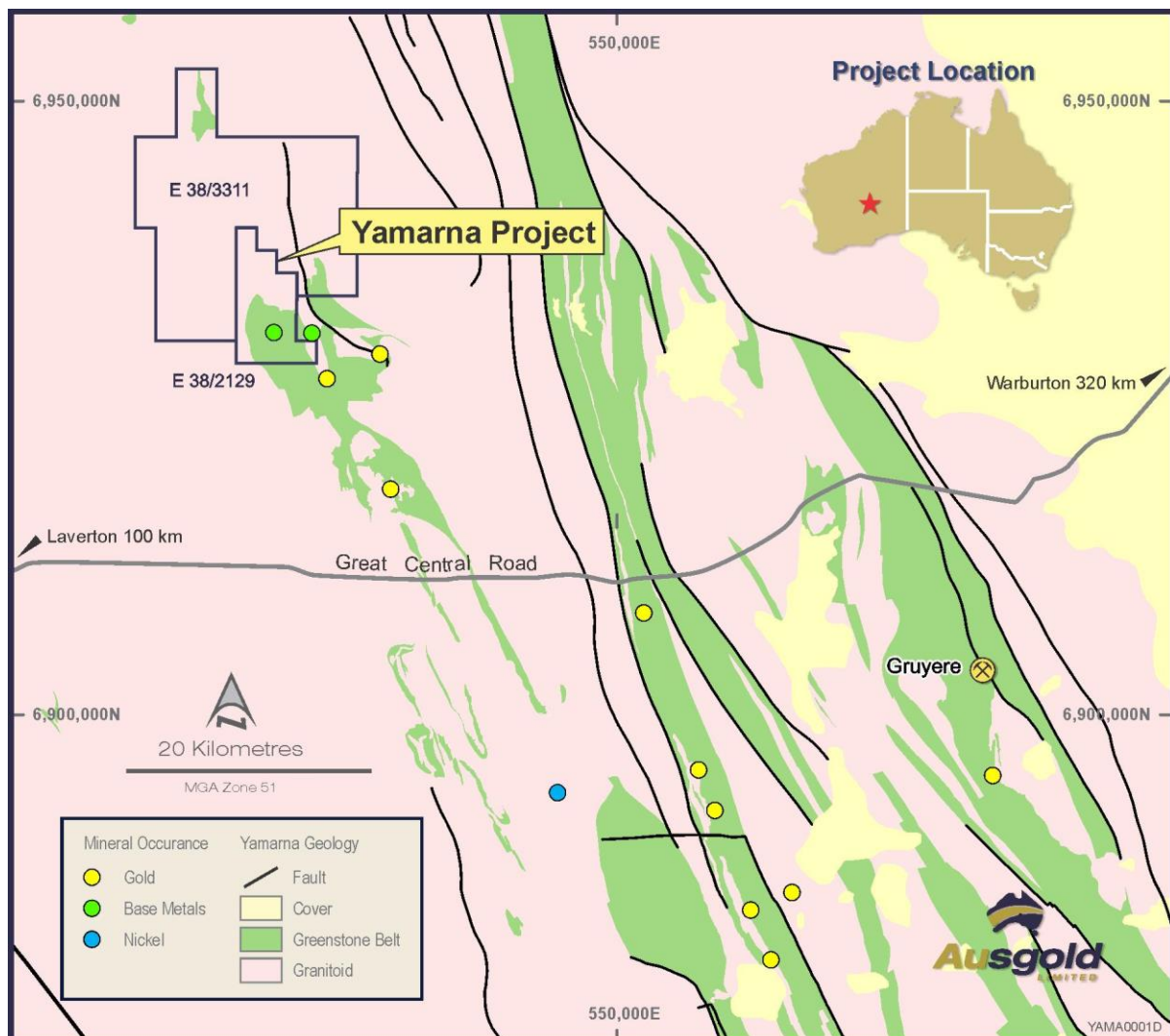


Figure 16 - Geological map showing location of the Yamarna Project

## Cracow, QLD

### AUC interest 100%

Ausgold holds Exploration Licence EPM17054 covering approximately 202km<sup>2</sup> in the Cracow region, 375km north-west of Brisbane, Queensland (Figure 17). The tenement covers extensive areas of the Camboon volcanics, which host the multi-million ounce Cracow epithermal gold deposit.

No meaningful exploration was carried out on the Cracow Project during the March quarter as the Company focused on advancing the KGP.

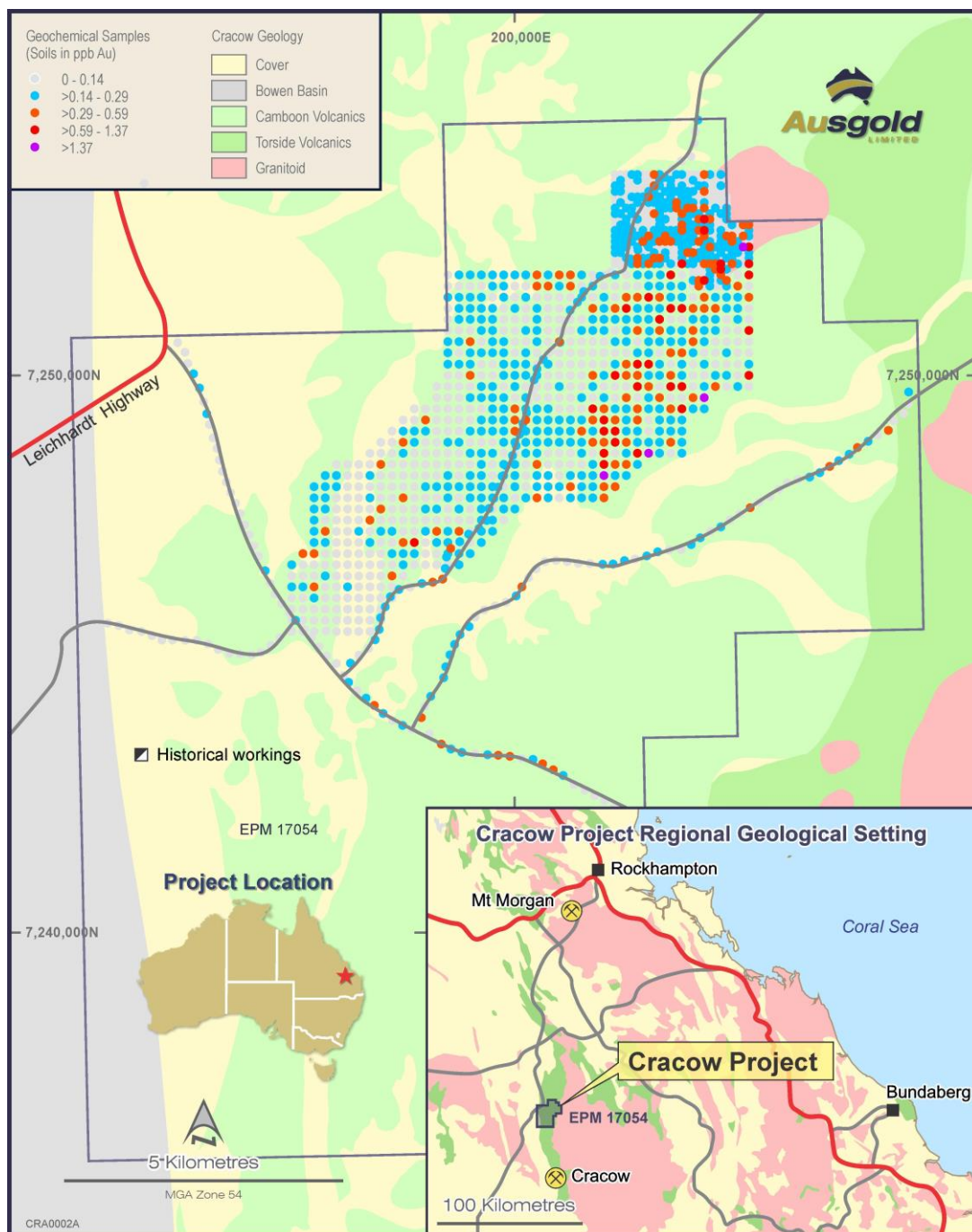


Figure 17 - Geological map showing location of the Cracow Project



## **June Quarter 2018 – Planned Activity**

### **Katanning**

- Completion of 24,000m RC drill program at test Resource extension and exploration targets primarily at Jinkas, Jinkas South, Lukin South and Datatine
- Compilation and targeted geochemical sampling across the KGP regional tenure
- Regional drill targeting based on the newly developed geological mapping across the region
- Ongoing review of the Red Hill Vanadium Project

## **CORPORATE**

### **Appointment of Managing Director**

Subsequent to the end of the quarter, Dr Matthew Greentree, who has served as the Company's Chief Executive Officer since April 2017, was appointed as Managing Director.

### **Share Capital**

As at 31 March, 2018, Ausgold had 577,149,541 fully paid ordinary shares and 67,019,235 unlisted options with various strikes prices and expiry dates on issue.

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**For further information please visit Ausgold's website or contact:**

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W: [info@ausgoldlimited.com](mailto:info@ausgoldlimited.com)

## Competent Person's Statements

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) Pty Ltd and Dr Matthew Greentree of Ausgold Limited. Dr Greentree is Managing Director of Ausgold Limited. Dr Greentree 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 Dr Greentree are Members of The Australasian Institute of Mining and Metallurgy and have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the activity they are undertaking, to qualify as Competent Persons in terms of The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 edition).

The Competent Persons consent to the inclusion of such information in this report in the form and context in which it appears.

## Forward-Looking Statements

This report includes "forward-looking statements" as that term within the meaning of securities laws of applicable jurisdictions. Forward-looking statements involve known and unknown risks, uncertainties and other factors that are in some cases beyond Ausgold Limited's control. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts contained in this presentation, including, without limitation, those regarding Ausgold Limited's future expectations. Readers can identify forward-looking statements by terminology such as "aim," "anticipate," "assume," "believe," "continue," "could," "estimate," "expect," "forecast," "intend," "may," "plan," "potential," "predict," "project," "risk," "should," "will" or "would" and other similar expressions. Risks, uncertainties and other factors may cause Ausgold Limited's actual results, performance, production or achievements to differ materially from those expressed or implied by the forward-looking statements (and from past results, performance or achievements). These factors include, but are not limited to, the failure to complete and commission the mine facilities, processing plant and related infrastructure in the time frame and within estimated costs currently planned; variations in global demand and price for coal and base metal materials; fluctuations in exchange rates between the U.S. Dollar, and the Australian dollar; the failure of Ausgold Limited's suppliers, service providers and partners to fulfil their obligations under construction, supply and other agreements; unforeseen geological, physical or meteorological conditions, natural disasters or cyclones; changes in the regulatory environment, industrial disputes, labour shortages, political and other factors; the inability to obtain additional financing, if required, on commercially suitable terms; and global and regional economic conditions. Readers are cautioned not to place undue reliance on forward-looking statements. The information concerning possible production in this announcement is not intended to be a forecast. They are internally generated goals set by the board of directors of Ausgold Limited. The ability of the company to achieve any targets will be largely determined by the company's ability to secure adequate funding, implement mining plans, resolve logistical issues associated with mining and enter into any necessary off take arrangements with reputable third parties. Although Ausgold Limited believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.



## SCHEDULE OF MINERAL TENEMENT INTERESTS

Summary of mining and exploration tenements as at 31 March 2018:

| State                              | Lease    | Lease status | Grant date       | Project                | Interest % |
|------------------------------------|----------|--------------|------------------|------------------------|------------|
| <b>Western Australia Tenements</b> |          |              |                  |                        |            |
| WA                                 | E38/2129 | Granted      | 13 October 2008  | Yamarna                | 100%       |
| WA                                 | E38/3311 | Application  | -                | Yamarna                | 100%       |
| WA                                 | E52/3031 | Granted      | 4 February 2014  | Doolgunna              | 100%       |
| WA                                 | E70/3952 | Granted      | 18 January 2011  | Katanning Regional     | 100%       |
| WA                                 | E70/4392 | Granted      | 25 March 2013    | Katanning Regional     | 100%       |
| WA                                 | E70/4566 | Granted      | 12 August 2014   | Katanning Regional     | 100%       |
| WA                                 | E70/4604 | Granted      | 13 January 2015  | Katanning Regional     | 100%       |
| WA                                 | E70/4605 | Granted      | 13 January 2015  | Katanning Regional     | 100%       |
| WA                                 | E70/4682 | Granted      | 28 July 2015     | Katanning Regional     | 100%       |
| WA                                 | E70/4728 | Granted      | 8 January 2016   | Katanning Regional     | 100%       |
| WA                                 | E70/4896 | Granted      | 9 March 2017     | Katanning Regional     | 100%       |
| WA                                 | E70/4907 | Granted      | 11 April 2017    | Katanning Regional     | 100%       |
| WA                                 | E70/4908 | Granted      | 3 May 2017       | Katanning Regional     | 100%       |
| WA                                 | E70/4942 | Granted      | 21 August 2017   | Katanning Regional     | 100%       |
| WA                                 | E70/4863 | Granted      | 10 January 2017  | Katanning Regional     | 100%       |
| WA                                 | E70/4864 | Granted      | 10 January 2017  | Katanning Regional     | 100%       |
| WA                                 | E70/4865 | Granted      | 10 January 2017  | Katanning Regional     | 100%       |
| WA                                 | E70/4866 | Granted      | 10 January 2017  | Katanning Regional     | 100%       |
| WA                                 | E70/4947 | Granted      | 6 November 2017  | Katanning Regional     | 100%       |
| WA                                 | E70/4958 | Application  | -                | Katanning Regional     | 100%       |
| WA                                 | E70/4959 | Application  | -                | Katanning Regional     | 100%       |
| WA                                 | E70/4968 | Granted      | 4 January 2018   | Katanning Regional     | 100%       |
| WA                                 | E70/5040 | Application  | -                | Katanning Regional     | 100%       |
| WA                                 | E70/5042 | Application  | -                | Katanning Regional     | 100%       |
| WA                                 | E70/5043 | Application  | -                | Katanning Regional     | 100%       |
| WA                                 | E70/5044 | Application  | -                | Katanning Regional     | 100%       |
| WA                                 | E70/5142 | Application  | -                | Katanning Regional     | 100%       |
| WA                                 | E70/2928 | Granted      | 26 November 2008 | Katanning Gold Project | 100%       |
| WA                                 | G70/84   | Granted      | 13 June 1989     | Katanning Gold Project | 100%       |
| WA                                 | G70/85   | Granted      | 13 June 1989     | Katanning Gold Project | 100%       |
| WA                                 | L70/13   | Granted      | 24 May 1989      | Katanning Gold Project | 100%       |
| WA                                 | L70/32   | Granted      | 11 December 1995 | Katanning Gold Project | 100%       |
| WA                                 | L70/33   | Granted      | 11 December 1995 | Katanning Gold Project | 100%       |
| WA                                 | M70/210  | Granted      | 28 March 1985    | Katanning Gold Project | 100%       |
| WA                                 | M70/211  | Granted      | 28 March 1985    | Katanning Gold Project | 100%       |
| WA                                 | M70/488  | Granted      | 19 April 1994    | Katanning Gold Project | 100%       |
| <b>Queensland Tenement</b>         |          |              |                  |                        |            |
| QLD                                | EPM17054 | Granted      | 26 November 2010 | 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

67 140 164 496

#### Quarter ended ("current quarter")

31 March 2018

| Consolidated statement of cash flows                      | Current<br>quarter<br>\$A'000 | Year to date<br>(9 months)<br>\$A'000 |
|-----------------------------------------------------------|-------------------------------|---------------------------------------|
| <b>1. Cash flows from operating activities</b>            |                               |                                       |
| 1.1 Receipts from customers                               | -                             | -                                     |
| 1.2 Payments for                                          |                               |                                       |
| (a) exploration & evaluation                              | (1,549)                       | (2,483)                               |
| (b) development                                           | -                             | -                                     |
| (c) production                                            | -                             | -                                     |
| (d) staff costs                                           | (92)                          | (360)                                 |
| (e) administration and corporate costs                    | (144)                         | (635)                                 |
| 1.3 Dividends received (see note 3)                       | -                             | -                                     |
| 1.4 Interest received                                     | 2                             | 4                                     |
| 1.5 Interest and other costs of finance paid              | -                             | -                                     |
| 1.6 Income taxes paid                                     | -                             | -                                     |
| 1.7 Research and development refunds                      | -                             | -                                     |
| 1.8 Other                                                 | -                             | -                                     |
| <b>1.9 Net cash from / (used in) operating activities</b> | <b>(1,783)</b>                | <b>(3,474)</b>                        |

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

+ See chapter 19 for defined terms.

| Consolidated statement of cash flows |                                                       | Current<br>quarter<br>\$A'000 | Year to date<br>(9 months)<br>\$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 (security deposits paid)                        | -                             | -                                     |
| 2.6                                  | <b>Net cash from / (used in) investing activities</b> | -                             | <b>(2)</b>                            |

|           |                                                                             |   |              |
|-----------|-----------------------------------------------------------------------------|---|--------------|
| <b>3.</b> | <b>Cash flows from financing activities</b>                                 |   |              |
| 3.1       | Proceeds from issues of shares                                              | - | 3,917        |
| 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 | - | (32)         |
| 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 (proceeds received pending shares to be issued)                       | - | -            |
| 3.10      | <b>Net cash from / (used in) financing activities</b>                       | - | <b>3,885</b> |

|           |                                                                              |         |         |
|-----------|------------------------------------------------------------------------------|---------|---------|
| <b>4.</b> | <b>Net increase / (decrease) in cash and cash equivalents for the period</b> |         |         |
| 4.1       | Cash and cash equivalents at beginning of period                             | 2,795   | 603     |
| 4.2       | Net cash from / (used in) operating activities (item 1.9 above)              | (1,783) | (3,474) |
| 4.3       | Net cash from / (used in) investing activities (item 2.6 above)              | -       | (2)     |
| 4.4       | Net cash from / (used in) financing activities (item 3.10 above)             | -       | 3,885   |

+ See chapter 19 for defined terms.



| Consolidated statement of cash flows |                                                   | Current quarter<br>\$A'000 | Year to date<br>(9 months)<br>\$A'000 |
|--------------------------------------|---------------------------------------------------|----------------------------|---------------------------------------|
| 4.5                                  | Effect of movement in exchange rates on cash held | -                          | -                                     |
| <b>4.6</b>                           | <b>Cash and cash equivalents at end of period</b> | <b>1,012</b>               | <b>1,012</b>                          |

| 5.         | Reconciliation of cash and cash equivalents<br>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter<br>\$A'000 | Previous quarter<br>\$A'000 |
|------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-----------------------------|
| 5.1        | Bank balances                                                                                                                                                        | 1,005                      | 2,788                       |
| 5.2        | Call deposits                                                                                                                                                        | -                          | -                           |
| 5.3        | Bank overdrafts                                                                                                                                                      | -                          | -                           |
| 5.4        | Other – term deposit                                                                                                                                                 | 7                          | 7                           |
| <b>5.5</b> | <b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>                                                                                     | <b>1,012</b>               | <b>2,795</b>                |

| 6.                                              | Payments to directors of the entity and their associates                                             | Current quarter<br>\$A'000 |
|-------------------------------------------------|------------------------------------------------------------------------------------------------------|----------------------------|
| 6.1                                             | Aggregate amount of payments to these parties included in item 1.2                                   | 52                         |
| 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, and superannuation. |                                                                                                      |                            |

| 7.                                                        | Payments to related entities of the entity and their associates                                      | Current quarter<br>\$A'000 |
|-----------------------------------------------------------|------------------------------------------------------------------------------------------------------|----------------------------|
| 7.1                                                       | Aggregate amount of payments to these parties included in item 1.2                                   | 38                         |
| 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 |                            |
| Use of office premises and associated facilities at cost. |                                                                                                      |                            |

| 8. <b>Financing facilities available</b><br><i>Add notes as necessary for an understanding of the position</i>                                                                                                                                                                             | <b>Total facility amount<br/>at quarter end<br/>\$A'000</b> | <b>Amount drawn at<br/>quarter end<br/>\$A'000</b> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|----------------------------------------------------|
| 8.1 Loan facilities                                                                                                                                                                                                                                                                        | -                                                           | -                                                  |
| 8.2 Credit standby arrangements                                                                                                                                                                                                                                                            | -                                                           | -                                                  |
| 8.3 Other (please specify)                                                                                                                                                                                                                                                                 | -                                                           | -                                                  |
| 8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well. |                                                             |                                                    |

|  |
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| 9.         | <b>Estimated cash outflows for next quarter</b> | <b>\$A'000</b> |
|------------|-------------------------------------------------|----------------|
| 9.1        | Exploration and evaluation                      | 800            |
| 9.2        | Development                                     | -              |
| 9.3        | Production                                      | -              |
| 9.4        | Staff costs                                     | 93             |
| 9.5        | Administration and corporate costs              | 60             |
| 9.6        | Other (provide details if material)             | -              |
| <b>9.7</b> | <b>Total estimated cash outflows</b>            | <b>953</b>     |

| 10.  | <b>Changes in tenements<br/>(items 2.1(b) and 2.2(b) above)</b>                       | <b>Tenement<br/>reference and<br/>location</b> | <b>Nature of interest</b>              | <b>Interest at<br/>beginning<br/>of quarter</b> | <b>Interest<br/>at end of<br/>quarter</b> |
|------|---------------------------------------------------------------------------------------|------------------------------------------------|----------------------------------------|-------------------------------------------------|-------------------------------------------|
| 10.1 | Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced | E70/4393                                       | Beneficial Holder                      | 100%                                            | 0%                                        |
| 10.2 | Interests in mining tenements and petroleum tenements acquired or increased           | E70/4968<br>E70/5142                           | Beneficial Holder<br>Beneficial Holder | 0%<br>0%                                        | 100%<br>100%                              |

## 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

Date: 27 April 2018

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.