



QUARTERLY REPORT Quarter ended 30 June 2018

Australian Securities
Exchange Code: **FEL**

18 July 2018

Fe Limited is an Australian domiciled
mineral resources exploration and
development company.

QUARTERLY REPORT – 30 June 2018

Ordinary Shares:

370,877,963

Board of Directors:

Tony Sage

Non-Executive Chairman

Kenneth Keogh

Non-Executive Director

Nicholas Sage

Non-Executive Director

Please find attached the Quarterly Activities Report and Appendix 5B for
the three month period ended 30 June 2018.

Yours faithfully
Fe Limited

Tony Sage
Non-Executive Chairman

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ASX Code: FEL

ABN: 31 112 731 638

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CORPORATE

Fe Limited (**ASX: FEL**) (**FEL** or **Company**) is an Australian company with interests in a portfolio of mineral projects at exploration stage located in Australia and the Democratic Republic of Congo (**DRC**).

Financial Position

Cash available to the Company at the end of the June 2018 quarter was \$0.89 million.

Iron Ore Royalty Received

During the period, the company received a royalty payment of \$41,901 in relation to mining conducted by Cliffs Asia Pacific Iron Ore Pty Ltd (**Cliffs**) at its Deception iron ore mine on Cliff's M77/1259. FEL holds a 1.5% Dry Metric Tonne, FOB Royalty (Evanston Iron Ore Royalty) in respect to M77/1259 that is located approximately 20kms north of Cliffs' Windarling mine. The Evanston Iron Ore Royalty area is located in the Southern Yilgarn Iron Province of Western Australia. Cliffs has advised that with the decision by Cliffs' parent company, Cleveland-Cliffs Inc, to exit from its Australian business during 2018 this has resulted in the cessation of mining at Deception and the closure of the Deception site.

Existing Business

The Company remains focused on its activities within the mineral exploration industry on its retained tenements and interests and is also investigating projects for future acquisition.

The Company has interests in several highly prospective projects in the Bryah Basin region of Western Australia with joint venture partners Auris Minerals Ltd (formerly RNI NL), Alchemy Resources Ltd, Independence Group NL, Westgold Resources Limited, Billabong Gold Pty Ltd and Sandfire Resources NL, which are mostly free-carried with no contributing responsibilities, until Decision to Mine.

PROJECTS

Kasombo Project - Democratic Republic of Congo

The Kasombo Project is held by Soludo Lambert Mining SAS (**Soludo Lambert**) and is located 25km from the DRC's second largest city, Lubumbashi, in the Katanga Copper Belt of the DRC. Soludo Lambert is a 50/50 joint venture company between Congolese entity Paragon Mining SARL and Cape Lambert Resources Limited. On 6 November 2017, the Company completed the acquisition of Cape Lambert's interests in the Kasombo Project, where-in Cape Lambert assigned all its rights and obligations in the Kasombo Project to the Company (full details of the assignment are described in the Notice of Annual General Meeting, refer ASX announcement dated 14 October 2017).

The Kasombo Project comprises three mineralized areas located within an approximately 600 hectare area., Kasombo 5, 6 and 7, located within two granted mining licenses PE 481 and PE 4886 (**Licences**), refer Figure 1. The Licences are held by La Generale Des Carrieres Et Des Mines S.A. (**Gecamines**).

During Q1 2018, the Company tendered a 5000m drilling programme covering Kasombo 5 and Kasombo 7. Nine drilling companies visited the Kasombo area to tender on the proposed drilling programme, with four companies later shortlisted and proposals updated accordingly. The awarding of the drilling contract was delayed, however, pending the completion of a planned ground magnetics programme.

During the quarter, a local consulting geology company Minex Consulting SA (Minex) was engaged to undertake a trenching, logging and sampling programme at Kasombo 7. Seven trenches for a total length of 617m were completed with a total of 289 samples collected for analysis. The samples were readied and dispatched to ALS late June 2018 for analysis. In logging the trenches Minex noted:



- The first three trenches showed highly folded terrains with the typical lower Mines Series sequences observed while the upper Mines series seems to be highly weathered.
- A leached mineralised zone was observed in the KSB_TR001 close to the RSC and has been interpreted as disseminated Feox that could be considered as the oxidized sulphide (possibly the upper ore body).
- The correlation of all the trenches led to highlight that the upper R2 Mines is affected by tight folding which are affected by fractures.
- The typical R2 Mines series known ore bodies have been identified. The lower ore body has been identified in most of the trenches, while the upper ore body was not observed in most of them.

In June 2018, the Company engaged the services of the Department of Geology from the University of Lubumbashi (**University**), to undertake a ground magnetics survey of the Kasombo area. The University commenced and completed the ground magnetics field works with 12 lines of survey of approximately 1.2km each, and equidistant of 400m oriented N-S, totalling a cumulative length of 20.2km. The interpretation work will now commence.

Western Australia

The Company holds, or has rights or interests in various tenements prospective for iron, nickel, copper and gold located in Western Australia.

The Company and its child entities have not carried out any exploration, development or mining production activities during the quarter ended 30 June 2018. No beneficial interest in any tenements were acquired or disposed of during the quarter ended 30 June 2018.

Bryah Basin Joint Venture Projects (“Bryah Basin”) (FEL 20% rights)

FEL, via its wholly owned subsidiary, Jackson Minerals Pty Ltd (**Jackson Minerals**), has a 20% interest in twelve tenements covering an area of 802 km² in the highly prospective Bryah Basin, including tenements proximal to Sandfire Resources NL (ASX: **SFR**) Doolgunna Project and DeGrussa copper gold mine and several gold and copper prospects.

The Bryah Basin Project tenements are subject to joint ventures and farm-ins with Westgold Resources Limited (ASX: **WGX**), Independence Group Ltd (ASX: **IGO**), Billabong Gold Pty Ltd, Alchemy Resources (Three Rivers) Ltd (ASX: **ALY**), Auris Minerals Ltd (ASX: **AUR**) and Sandfire Resources NL (ASX: **SFR**).

The Bryah Basin is emerging as a highly prospective and largely under-explored mineral field with potential for further discovery of gold and base metals.

Auris Projects - Auris Minerals Ltd (AUR) 80% in all minerals (except gold for E52/1659 and E52/1671) and FEL 20% in all minerals

FEL, via its subsidiary, Jackson Minerals, holds a 20% interest in all minerals to a Decision to Mine in five exploration licences and three prospecting licences (E52/1659 and E52/1671 and P52/1484-1486 within AUR’s “**Forrest Project**” and E51/1033, E52/1613, E52/1672 within AUR’s “**Morcks Well Project**”) covering a total of 607km².

Metals X Ltd (ASX: **MLX**) acquired AUR’s interest in the gold assets with regard to E52/1659 and E52/1671 (within the AUR Forrest Project). MLX transferred their 80% gold rights interest in these tenements to Westgold Resources Limited (ASX: **WGX**) and FEL’s 20% interest in all minerals for E52/1659 and E52/1671 is now free carried until Decision to Mine by WGX.

AUR and FEL have entered into a farm-in and Joint Venture with Sandfire Resources NL (**SFR**) where SFR can earn an interest in the Morck’s Well Project tenements E51/1033, E52/1613, E52/1672 by completing a minimum spend of \$2.0m on exploration over 2 years (see ASX:AUR announcement 27 February 2018 for details).

Forrest Project: Forrest (E52/1671), Wodger (E52/1659), Big Billy Prospects (E52/1659)

The “Forrest”, “Wodger” and “Big Billy” Prospects are located along a 12km mineralized Cu+-Au trend which hosts multiple targets for volcanic-hosted massive sulfide (“VHMS”) style mineralization.

The Wodger and Forrest prospects are confirmed as priority prospect in AUR’s Bryah Basin exploration portfolio.



AUR completed a VTEM Max Survey at the Forrest Prospect during the quarter, preliminary data has not identified any strong anomalism at the Forrest Prospect (refer to ASX:AUR announcement 06Apr2018).

FEL has not received any reports of work completed on these tenements by WGX during the Quarter.

Morck's Well Project (E51/1033, E52/1613, E52/1672)

The Morck's Well Prospect is located in the eastern part of the Bryah Basin and contains approximately 40km of strike length of the highly prospective Narracoota Volcanic Formation. The northern boundary of Morck's Well is adjacent to Sandfire Resources NL's DeGrussa-Doolgunna exploration tenements.

On 17 April 2018 AUR announced that "Sandfire Identify Preliminary VTEM Anomalies Within The Mork's Well East JV Project". Preliminary results from initial VTEM surveys completed by SFR have indicated a number of robust VTEM anomalies across the tenement survey areas. (refer to ASX:AUR 27Mar2018 and 17Apr2018).

On 9 May 2018 SFR commenced an aircore drilling programme to test VTEM anomalies at Mork's Well. Drilling intersected narrow zones of massive sulphides and supergene copper mineralisation. SFR commenced follow-up RC drilling and Down-hole Electromagnetic Surveying (DHEM) in late May 2018. SFR advised that "it has received assay results for the Aircore (AC) drill holes which intersected narrow zones of sulphide and supergene copper mineralisation at the Morck's Well Project, significant results included:

- MWAC0109 **11m at 3.5% Cu from 73m** including **3m at 9.5% Cu from 81m**
- MWAC0111 **6m at 1.3% Cu from 112m** including **1m at 4.5% Cu from 113m**
- MWAC0112 **9m at 2.3% Cu from 146m** including **3m at 5.7% Cu from 149m**

SFR added that "While the high-grade intersections returned from these AC holes are narrow, the overall tenor and grade of the mineralisation encountered is encouraging and supports continued exploration along this corridor. All intercept length's are down hole, true widths are not known."

SFR has reported that "preliminary drilling has defined an area of geological interest that will be intensively targeted by AC, RC and diamond drilling, supported by multi-element geochemistry, surface and down-hole geophysics" (for details refer to ASX:FEL announcements 15May2018, 21May2018, 25May2018 and 06June2018).

Alchemy Projects - ALY 80% in all minerals (see below for details of other companies farming-into this interest) and FEL 20% (in all minerals) free carried to Decision to Mine

FEL, via its wholly owned subsidiary Jackson Minerals, holds a 20% interest in all minerals free carried to Decision to Mine in four exploration licenses (E52/1668 ("Reefer" and "Flamel" prospects), E52/1678 ("Troy" prospect), E52/1722 ("Neptune" prospect), E52/1730 ("Henry" prospect) jointly known as the **Jackson Tenements**. Additionally, Jackson Minerals has 20% beneficial interest in all minerals in part of E52/1852 previously held under P52/1167 and P52/1168, held in trust for Jackson Minerals by ALY/Billabong, Jackson Minerals/FEL has no registered interest in E52/1852.

The project covers approximately 45km strike of the prospective Narracoota Volcanic Formation sequence in the Bryah Basin and is proximal to Sandfire's Doolgunna Project and the recently discovered Monty Prospect.

Base Metals Rights – ALY/IGO/JAK E52/1668, E52/1678, E52/1722 and E52/1730

Alchemy has entered into a farm-in and joint venture with Independence Group NL (refer to ASX:ALY 5Nov2014 for relevant information and diagrams). Diversified mining company, Independence Group NL (ASX: IGO) is earning up to 70% interest in base metals rights, excluding iron ore rights, in relation to whole area of E52/1722 and parts of E52/1668, E52/1678 and E52/1730 (in regard to the Jackson Tenements).

FEL has not received any updates from ALY or IGO regarding this project during the quarter.



All Mineral Rights - ALY/Billabong/JAK E52/1668, E52/1678, and E52/1730

Leading Australian gold producer Northern Star Resources Ltd (ASX: **NST**) entered into a Farm-In and Joint Venture agreement with ALY (refer to ASX:ALY 24Feb2015), in regard to parts of E52/1668, E52/1678 and E52/1730 (excluding those parts being farmed into by IGO) and also to earn an 80% interest in the whole of E52/1852 (within which ALY holds a 20% interest in the area previously held under P52/1167-68 for Jackson Minerals). NST assigned its interest in these tenements and the Farm-in and Joint Venture to Billabong Gold Pty Ltd (**Billabong**) via a Deed of Consent, Assignment and Assumption dated 11 October 2016, pursuant to "Sale and Purchase Agreement Plutonic Gold Operations" between NST and Billabong dated 12 August 2016 (refer to ASX:NST 15Aug2016 and 12Oct2016). FEL retains its 20% free carried interests in all minerals in all of the aforementioned tenements, via wholly owned subsidiary Jackson Minerals.

FEL has not received any updates from ALY or Billabong regarding this project during the quarter.

Mt Ida Gold - FEL, Mt Ida Iron Ore Project

Mt Ida is approximately 80km northwest of the operational railway at Menzies, which offers access to existing port facilities at Esperance.

The Mt Ida Iron Ore Project (**Mt Ida Iron Project**) provides FEL the rights to explore and mine for iron ore on two exploration licenses (E29/640 and E29/641) and 3 mining leases (M29/2, M29/165 and M29/422), held by Mt Ida Gold Pty Ltd, covering approximately 120km² in the emerging Yilgarn Iron Province. The rights give provision for FEL to retain revenue from any iron ore product it mines from the tenure. FEL has no registered interest in these tenements.

The Mt Ida Project area covers part of the Mt Ida - Mt Bevan banded iron formation, which is currently being explored and evaluated by Jupiter Mines Limited and Legacy Iron Ore Limited.

FEL has not received any updates from Mt Ida Gold Pty Ltd regarding this project during the quarter.

Evanston Iron Ore Royalty (Cliffs Asia Pacific Iron Ore Pty Ltd, a subsidiary of Cleveland-Cliffs Inc)

FEL holds a 1.5% Dry Metric Tonne, FOB Royalty over two tenements (E77/1322 and M77/1259) within the Evanston Project. The tenements are approximately 20kms north of the Windarling mine. The Evanston Iron Ore Project is located in the Southern Yilgarn Iron Province of Western Australia and covers an area of 167km², of which E77/1322 and M77/1259 cover a combined area of 76.92km².

During the period, the company received a royalty payment of \$41,901 in relation to mining conducted by Cliffs at its Deception iron ore mine on Cliff's M77/1259. Cliffs has advised that with the decision by Cliffs' parent company, Cleveland-Cliffs Inc, to exit from its Australian business during 2018 this has resulted in the cessation of mining at Deception and the closure of the Deception site. On the 13 June 2018 Mineral Resources Limited (ASX:MIN) announced that it had entered into a definitive agreement with Cleveland-Cliffs Inc to acquire the assets used by its wholly owned subsidiary Cliffs Asia Pacific Iron Ore Pty Ltd (refer to ASX:MIN 13Jun2018).

For further information please contact:

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Important Notice

Some of the statements appearing in this announcement may be in the nature of forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industries in which the Company operates and proposes to operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets, among other things. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement. No forward looking statement is a guarantee or representation as to future performance or any other future matters, which will be influenced by a number of factors and subject to various uncertainties and contingencies, many of which will be outside the Company's control.

The Company does not undertake any obligation to update publicly or release any revisions to these forward looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions or conclusions contained in this announcement. To the maximum extent permitted by law, none of the Company, its Directors, employees, advisors or agents, nor any other person, accepts any liability for any loss arising from the use of the information contained in this announcement. You are cautioned not to place undue reliance on any forward looking statement. The forward looking statements in this announcement reflect views held only as at the date of this announcement.

This announcement is not an offer, invitation or recommendation to subscribe for, or purchase securities in the Company. Nor does this announcement constitute investment or financial product advice (nor tax, accounting or legal advice) and is not intended to be used for the basis of making an investment decision. Investors should obtain their own advice before making any investment decision. By reviewing or retaining this announcement, you acknowledge and represent that you have read, understood and accepted the terms of this important notice.

Competent Person Statement

The information in this report is compiled and collected by Mr Jess Oram, Exploration Manager of Cauldron Energy a company related to FE Limited through similar board members, who is a Member of the Australasian Institute of Geoscientists. Oram has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration, Results, Mineral Resource and Ore Reserves (JORC Code 2012). Oram consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

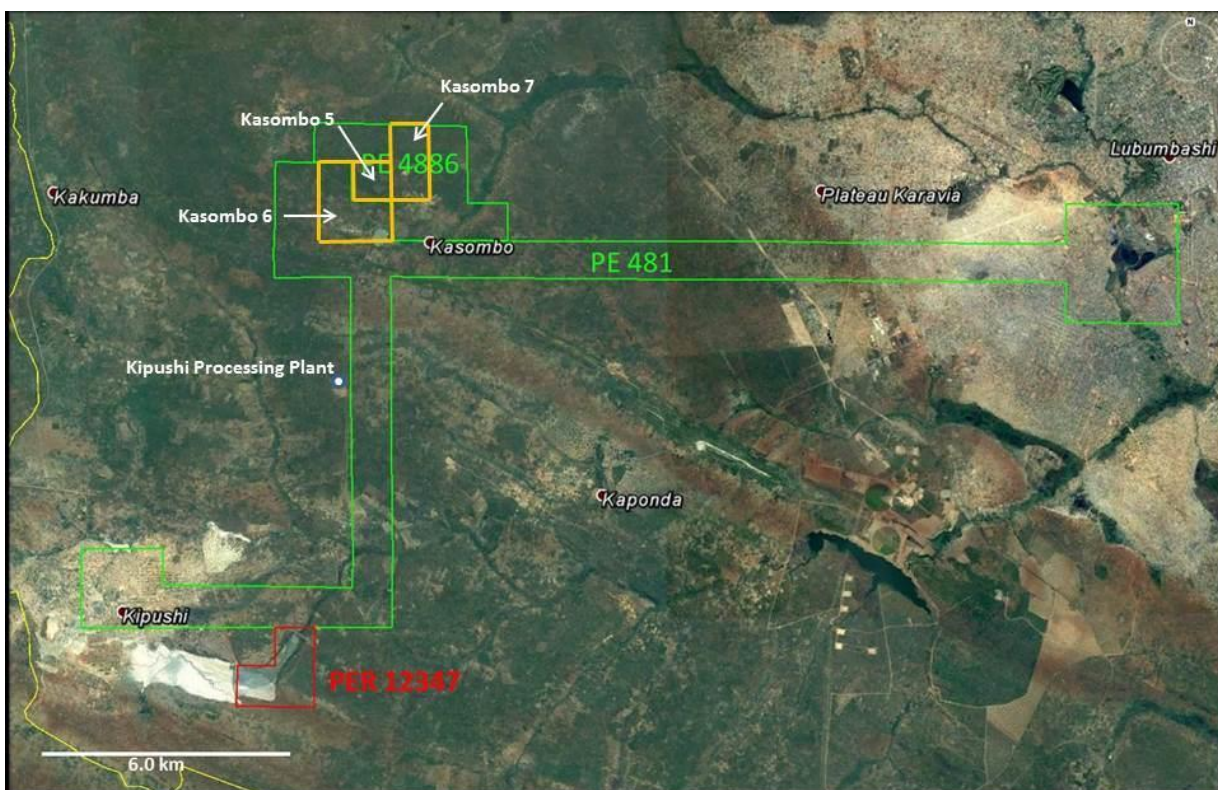


Figure 1: Location of Kasombo Project and nearby Kipushi Processing Plant

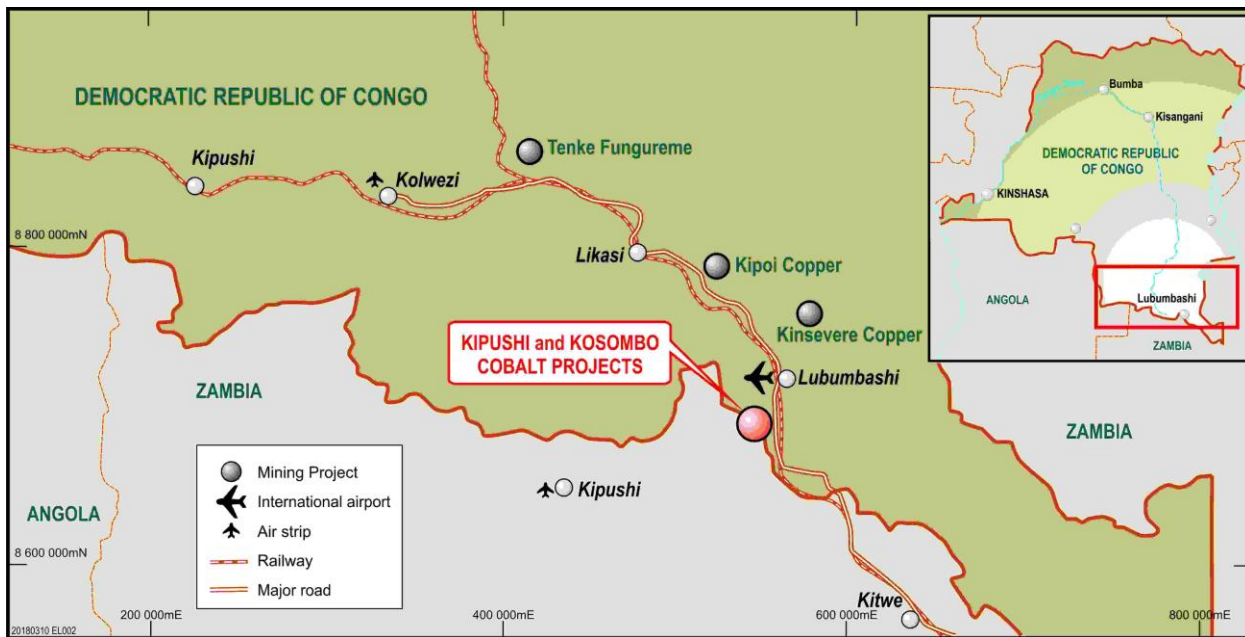


Figure 2: Kasombo Location Map

Schedule of tenement interests of the Company and its subsidiary entities as at 30 June 2018 (including details of tenements acquired and disposed of during the quarter)

Tenement reference	Project & Location	Acquired interest during the quarter	Disposed Interest during the quarter	Interest at end of quarter	Notes
E52/1659	Forrest (Milgun) - Western Australia	-	-	20%	1, 2, 3
E52/1668	Peak Hill - Western Australia	-	-	20%	4
E52/1671	Forrest (Milgun) - Western Australia	-	-	20%	1, 2, 3
E52/1678	Peak Hill - Western Australia	-	-	20%	4
E52/1722	Peak Hill - Western Australia	-	-	20%	5
E52/1730	Peak Hill - Western Australia	-	-	20%	4
P52/1494	Forrest (Milgun) - Western Australia	-	-	20%	1
P52/1495	Forrest (Milgun) - Western Australia	-	-	20%	1
P52/1496	Forrest (Milgun) - Western Australia	-	-	20%	1
PE4886	Kasombo 5 & 7 – DRC	-	-	50%	6
PE481	Kasombo 6 – DRC	-	-	50%	6

NOTES:

1	Peak Hill Sale Agreement: Auris Exploration Pty Ltd (Auris - previously known as Grosvenor Gold Pty Ltd) 80% (Operator) and Jackson Minerals Pty Ltd 20% in all minerals free carried to decision to mine.
2	Westgold Resources Limited owns 80% gold rights, Auris Exploration Pty Ltd (Auris)(previously known as Grosvenor Gold Pty Ltd) (Operator) holds 80% interest in all minerals other than gold and Jackson Minerals Pty Ltd holds 20% in all minerals free carried to decision to mine.
3	Westgold Resources Limited has first right of refusal over disposal of RNI/Auris 80% interest.
4	Alchemy 80% reducing to 10% in all minerals once Independence Group NL (IGO) and Billabong Gold Pty Ltd (Billabong) (Operator) earn in under respective JV agreements with Alchemy Resources Ltd (ALY). Billabong earning 70% interest in all minerals in part of this tenement and IGO earning 70% in base metals only (excluding Iron Ore) in the remaining tenement area. Jackson Minerals holds 20% in all minerals in the whole of the tenements free carried to decision to mine.
5	Alchemy 80% reducing to 10% in all minerals once IGO (Operator) earn in under JV agreement with ALY. IGO earning 70% in base metals only (excluding iron ore) in the whole of tenement area by sole funding exploration expenditure. Jackson Minerals holds 20% in all minerals free carried to decision to mine.
6	FEL holds no direct interest in the licences, but has an indirect 50% interest from the acquisition of Cape Lambert's rights and obligations. Full details of the assignment are described in the Notice of Annual General Meeting, refer ASX announcement dated 14 October 2017.

The mining tenements with beneficial interest held in farm-in/farm-out agreements at the end of each quarter (including details of beneficial interests acquired and disposed of during the quarter).

Farm-in/out Agreement and Tenement reference	Project & Location	Acquired interest during the quarter	Disposed Interest during the quarter	Interest at end of quarter	Notes
Sandfire Farm-in E51/1033-I	Morcks Well (Heines Find) - Western Australia	-	-	20%	1, 2, 3
Sandfire Farm-in E52/1613-I	Morcks Well (Heines Find) - Western Australia	-	-	20%	1, 2, 3
Sandfire Farm-in E52/1672-I	Morcks Well (Heines Find) - Western Australia	-	-	20%	1, 2, 3

NOTES:	
1	Peak Hill Sale Agreement: Auris Exploration Pty Ltd (Auris - previously known as Grosvenor Gold Pty Ltd) 80% (Operator) and Jackson Minerals Pty Ltd 20% in all minerals.
2	Jackson Iron Ore Royalty: Auris Exploration Pty Ltd (Auris)(previously known as Grosvenor Gold Pty Ltd) (Operator) to pay PepinNini Robinson Range Pty Ltd (PRR) a 0.8% gross revenue royalty from the sale or disposal of iron ore. Jackson Minerals Pty Ltd holds 20% in all minerals.
3	Sandfire Farm-in: Subject to a Farm-in Letter Agreement between SFR, AUR and FEL. If SFR makes a Discovery on the tenements and a JV is formed then the interests in the tenements will be 70% SFR, 24% AUR and 6% FEL. Full details of the agreement are described in the Auris ASX announcement dated 27 February 2018.

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

Fe Limited

ABN

31 112 731 638

Quarter ended ("current quarter")

30 June 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(174)	(385)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(163)	(764)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	5
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other:		
Advance payment to CFE for reimbursement of expenditure incurred in relation to the Kasombo project	-	(50)
Royalty received	38	38
1.9 Net cash from / (used in) operating activities	(297)	(1,156)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	377	377
	(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	377	377

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	1,000
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	281
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(31)
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	-	1,250

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	814	423
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(297)	(1,156)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	377	377
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	1,250
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	894	894

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	894	814
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)	894	814

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**

43

-

Payments included in item 6.1 of \$43,000 relates to payment of director fees.

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**

29

-

Payments included in item 7.1 of \$29,468 relates to payments to director-related entities for office occupancy costs, reimbursement of travel costs, and other corporate expenses.

During the period, the Company advanced a loan to director-related entity Cape Lambert Resources Limited for \$65,000, which was repaid on 29 June 2018.

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
	<i>Add notes as necessary for an understanding of the position</i>		
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	200
9.2 Development	-
9.3 Production	-
9.4 Staff costs	-
9.5 Administration and corporate costs	200
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	400

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: 18 July 2018
(Company secretary)

Print name: Catherine Grant-Edwards

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.