



**PANTORO**

# Quarterly Report

Ending 31 December 2018

## Key Highlights

- Pantoro Limited (**ASX:PNR**) (**Pantoro**) is pleased to provide its activity report for the December 2018 quarter. Operations performed well with strong cashflow, development reaching the ore zone at the Wagtail Underground Mine, and outstanding exploration results at Grants Creek.

### Operations

- Mining operations returned to expected production levels throughout the quarter with 12,657 ounces produced, representing a 33% increase quarter on quarter (Sept. 18Q production 9,525 ounces). All in sustaining costs for the quarter were A\$1,140 per ounce. Production was predominantly from Nicolsons mine with a minor contribution from Wagtail.
- Underground mining delivered 71,301 tonnes @ 6.44 g/t Au for 14,763 ounces, including 54,841 tonnes @ 7.87 g/t Au for 13,876 ounces of high grade ore, to the ROM pad and low grade stockpiles. Low grade stocks are being opportunistically upgraded utilising the ore sorter when there is capacity to do so.
- Drilling at Nicolsons revealed high grade mineralisation approximately 130 metres below and 100 metres to the North of the current Ore Reserve. Development and exploration at Nicolsons is ongoing
- Development reached the first ore development level at Wagtail during December 2018. Ore supply from Wagtail will continue to increase during the coming quarters.
- A cutback at Wagtail South pit is planned following development of adits that identified ore which supports an expansion of the current open pit. Pantoro has applied for approvals required to undertake the cutback and expects to commence mining during the first half of 2019. The Wagtail South cutback is expected to be mined over a period of approximately nine months.
- The maiden drilling program at Grants Creek returned a number of high-grade results from the Perseverance and Star of Kimberley deposits. Modelling of the maiden Mineral Resource estimates for the Grants Creek deposits has commenced. Pantoro is aiming to commence mining at Grants Creek by the end of 2019 and will commence the steps required for grant of a mining lease immediately following completion of the Mineral Resource estimate.
- The Edison prospect, located approximately 4 km south of the Nicolsons processing plant returned wide zones of palladium-platinum-gold mineralisation including:
  - » 17 m @ 2.13 g/t Pt+Pd+Au and 0.65% Ni.
  - » 21.4 m @ 1.93 g/t Pt+Pd+Au and 0.55% Ni.

### Corporate

- Pantoro ended the quarter with \$20.8 million in cash and gold\*. The company remains debt free.

### Enquiries

Paul Cmrlec – Managing Director | Ph: +61 8 6263 1110 | Email: [admin@pantoro.com.au](mailto:admin@pantoro.com.au)

\* Includes \$18.3m cash, 226 Oz at mint, 718 Oz in safe and 438 Oz in GIC @ \$1816/oz

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## About Pantoro Limited

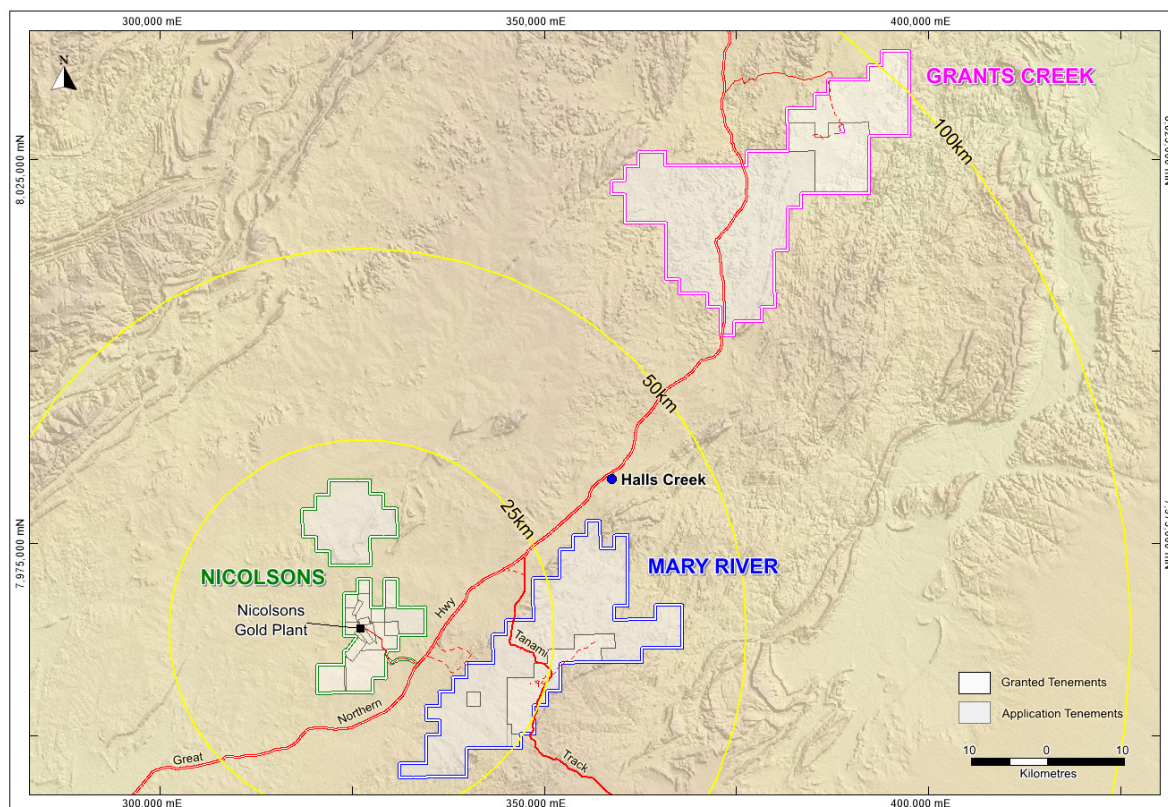
Pantoro is an Australian gold producer with its 100% owned Halls Creek Gold Project in the Kimberley Region of Western Australia being the key operational focus. The project provides the company with a platform for growth through the operation of its first producing gold asset, which includes underground and open pit mines, and a modern CIP processing facility.

Pantoro commenced construction and refurbishment works at Nicolson's during February 2015 and commenced production in Q3 2015. The Mineral Resource and Ore Reserves have been significantly upgraded since operations commenced, with both higher grades, and additional Ore Lodes identified during mining.

The company is currently producing gold at levels exceeding its feasibility study targets and has expanded to a production rate of 50-55,000 ounces per annum.

Pantoro is focused on continued growth of production and mine life through:

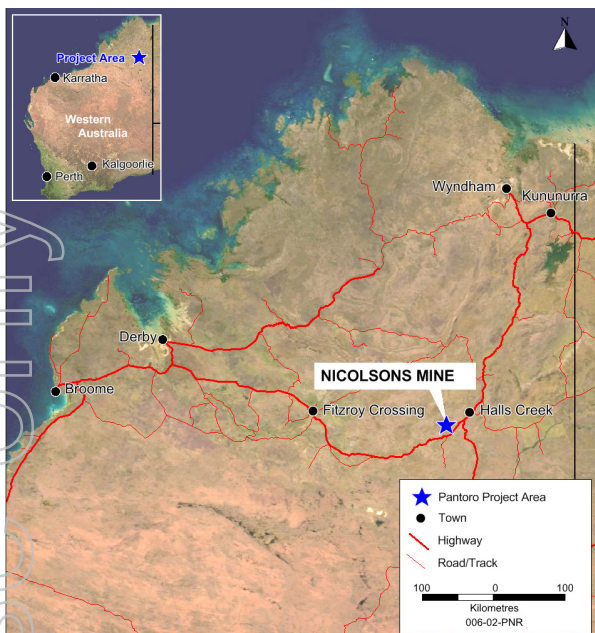
- Ongoing production from the high grade Nicolson's underground mine. The majority of gold produced from the project since commencement of production in September 2015 has been from Nicolson's.
- Commencement of ore development from the Wagtail underground mine during the December 2018 quarter. Pantoro successfully mined high grade open pits at Wagtail between November 2016 and December 2018 and commenced underground decline development in July 2018.
- Exploration within the Nicolson's tenements focused on ongoing near mine growth.
- Exploration within regional projects including the 100% owned Grants Creek and Mary River prospects focused on Mineral Resource definition and near term production potential. Pantoro holds the only commercial scale gold processing plant in the Kimberley Region of Western Australia, providing the company with a unique strategic advantage in the tier 1 jurisdiction.





# Activities Report

## Halls Creek Project – Western Australia



*The Halls Creek Project Location*

The Halls Creek Project includes the Nicolsons and Wagtail Mines, (35 km south west of Halls Creek) and a pipeline of exploration and development prospects located south-west of Halls Creek in the Kimberley Region of Western Australia.

Pantoro acquired its initial interest in the project during April 2014, and took possession of the site in May 2014 enacting its rapid development plan for the project. First production was achieved at Nicolsons in the September 2015 quarter. The mine was developed with a strategy to minimise pre-production capital and to aggressively grow production and the mine Mineral Resource base utilising early cashflows. The growth phase of the operation is now well underway.

The project currently has a stated Mineral Resource of 393,000 ounces of gold as of May 31 2018. The company continues to invest heavily in exploration, with high grade gold intersections returned over 400 metres below surface.

The project region has been sporadically explored over a number of years, however the area remains sparsely explored with minimal drill testing of prospects outside of the areas being

targeted by Pantoro. Exploration by Pantoro has been highly successful in identifying additional Mineral Resources at Nicolsons and Wagtail, and high grade mineralisation has been noted throughout the tenement areas. The company is actively exploring for mineralisation extensions at Nicolsons, underground mining targets at Wagtail, and a number of regional exploration targets. The company strategy is to continue profitable production from Nicolsons and Wagtail, and expanding Mineral Resources and Ore Reserves through an aggressive exploration strategy. Pantoro owns the only commercial scale processing plant in the Kimberley Region of Western Australia, providing a strategic advantage for acquisition and identification of additional deposits in the area.



## Quarterly Results – Nicolsons Mine

The December 2018 quarter saw Nicolsons return strong cashflow following the completion of a number of major projects during the previous quarter. In addition to reduced capital and operational costs, production increased by 33% to 12,657 ounces, with all in sustaining costs reducing to A\$1,140/Oz.

Maiden exploration drilling results from Grants Creek revealed high grade mineralisation at Perseverance and Star of Kimberley deposits, and initial Mineral Resource modelling is underway. The results place significant confidence in the excellent potential for discovery of a large ore system at Grants Creek, suitable for processing at the Nicolsons processing plant.

Physical Summary	FY 2018		FY 2019	
	Q3	Q4	Q1	Q2
UG Ore Mined (t)	54,109	58,113	60,324	71,301
UG Grade Mined (g/t Au)	6.66	6.66	5.06	6.44
OP BCM Mined	-	-	-	-
OP Ore Mined (t)	-	-	-	-
OP Grade Mined (g/t Au)	-	-	-	-
Ore Processed (t)	56,729	54,998	54,365	53,309
Head Grade (g/t Au)	7.96	7.20	5.75	7.87
Recovery (%)	92.2%	91.6%	94.7%	93.7%
Gold Produced (oz)	13,385	11,694	9,525	12,657
<b>Cost Summary (\$/oz)</b>				
Production costs	\$837	\$1,031	\$1,527	\$1,018
Stockpile Adjustments	\$177	\$85	\$31	-\$21
<b>C1 Cash Cost</b>	<b>\$1,014</b>	<b>\$1,116</b>	<b>\$1,559</b>	<b>\$998</b>
Royalties	\$42	\$45	\$33	\$41
Marketing/Cost of sales	\$4	\$5	\$6	\$4
Sustaining Capital	\$115	\$188	\$236	\$88
Corporate Costs	\$6	\$9	\$12	\$10
<b>All-in Sustaining Costs</b>	<b>\$1,182</b>	<b>\$1,363</b>	<b>\$1,845</b>	<b>\$1,140</b>
Major Project Capital	\$3.74M	\$6.51M	\$3.00M	\$2.86M
Exploration Cost	\$1.90M	\$2.04M	\$1.81M	\$1.02M

## Nicolsons Underground Mine

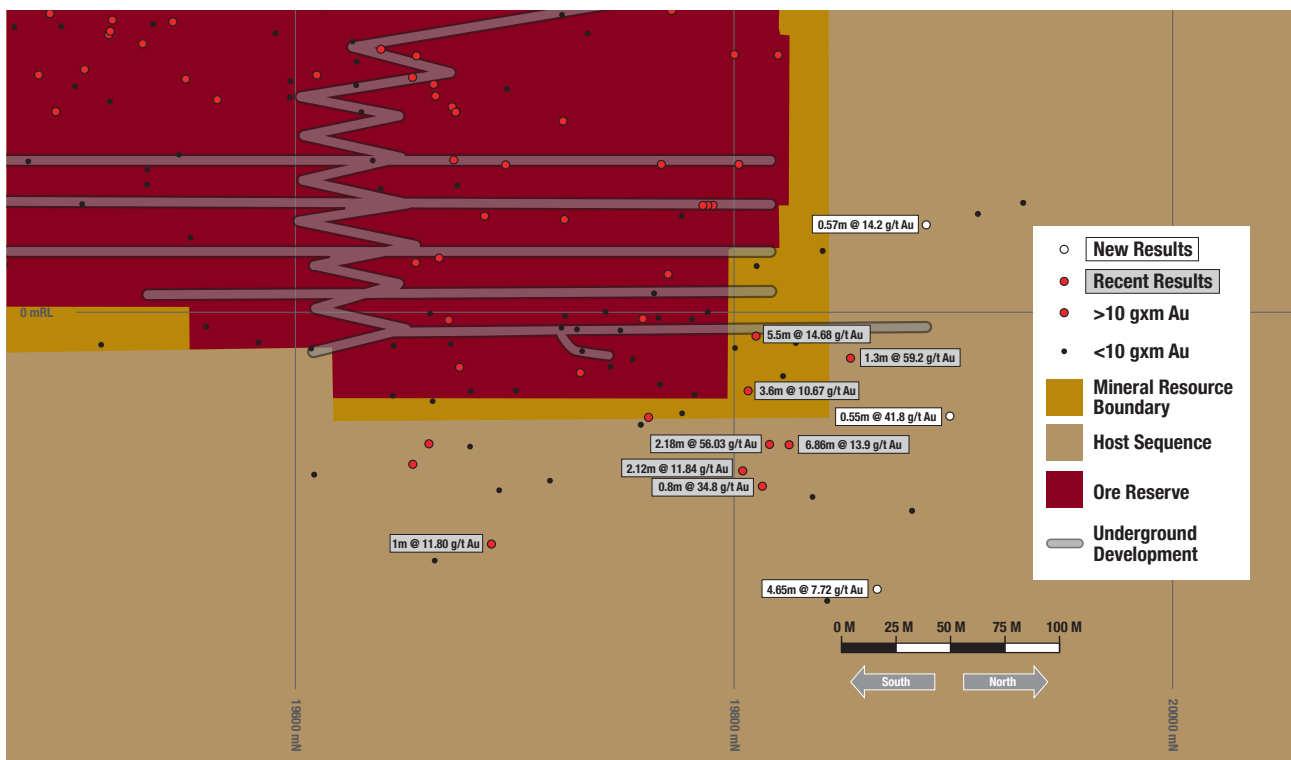
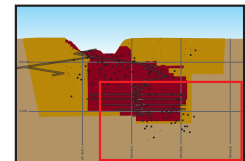
Nicolsons mine provided the majority of the ore feed during the quarter, with a minor contribution from Wagtail.

Stoping and development performed well with 71,301 tonnes @ 6.44 g/t Au for 14,763 ounces, including 54,841 tonnes @ 7.87 g/t Au for 13,876 ounces of high-grade ore, to the ROM pad and low grade stockpiles. Ore was from a number of sources including development, cut and fill stoping, uphole benching, and airleg mining. The transition of mining methods has achieved the desired results. Low grade stocks are being opportunistically upgraded utilising the ore sorter when there is capacity to do so.

Drilling to the north, and below the current Mineral Resource envelope has continued to return high grades, with excellent results returned from up to 100m north, and 130m below the current development. Development on the 1985 level is nearing completion with expected results achieved. Decline development is progressing towards the 1970 level. Decline infrastructure has been transitioned approximately 100m to the north to accommodate the northerly plunge of the ore at depth.

## Nicolson's Deposit

### Hall/Anderson Lode Schematic Long-Section



The detailed drilling program is ongoing with additional drilling planned to test depth and strike extensions to the north of the orebody from the northern extent of the 1985 level once development is completed. The 1985 drilling program will test further northern extensions of the ore system and down plunge extensions at depth.

## Wagtail Underground Mine

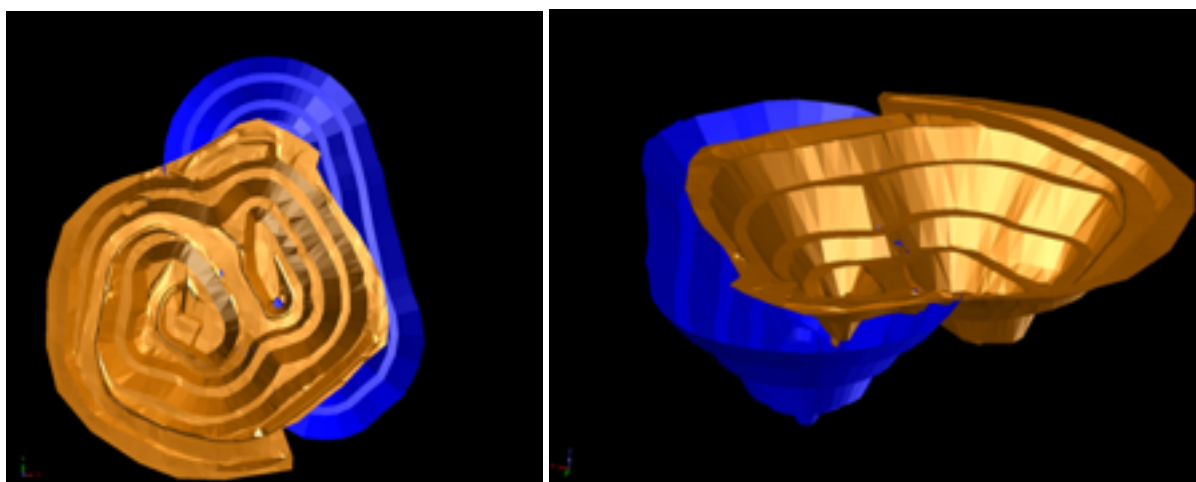
Pantoro received the final approvals required to commence underground mining at Wagtail on 28 May 2018. Works commenced immediately upon approval and the first decline development round was fired on 19 June 2018.

Wagtail is being developed with a similar development philosophy to that employed at Nicolsons during the early development of the mine. A small crew is advancing the decline on a 24 hour per day basis. The operations team achieved first ore development during December 2018, and will continue to ramp up ore supply from the mine as additional ore headings become available. Ore mined to date has substantially exceeded modelled grades, and a full reconciliation will be undertaken once the first level has been completed.

## Wagtail South Open Pit Cutback

Mining of adits within the Wagtail south open pit demonstrated continuity of high-grade ore outside of the current open pit. The results, combined with existing drilling in the area were used to identify an additional ore block suitable for open pit mining.

Pantoro has applied for the required environmental approvals to complete the expansion, and will commence mining as soon as possible. It is intended that an underground mine portal will be established in Wagtail South following completion of the open pit expansion to access the underground reserve. Once established there will be three portals operating at site with Nicolsons, Wagtail North and Wagtail south operating simultaneously.



Left: Plan view of existing open pit and planned cutback (blue); Right: Isometric view looking south.

## Processing Plant

Nicolsons processing plant continued to operate reliably with 53,309 tonnes processed at an average grade of 7.87 g/t Au and recovery of 93.7%.

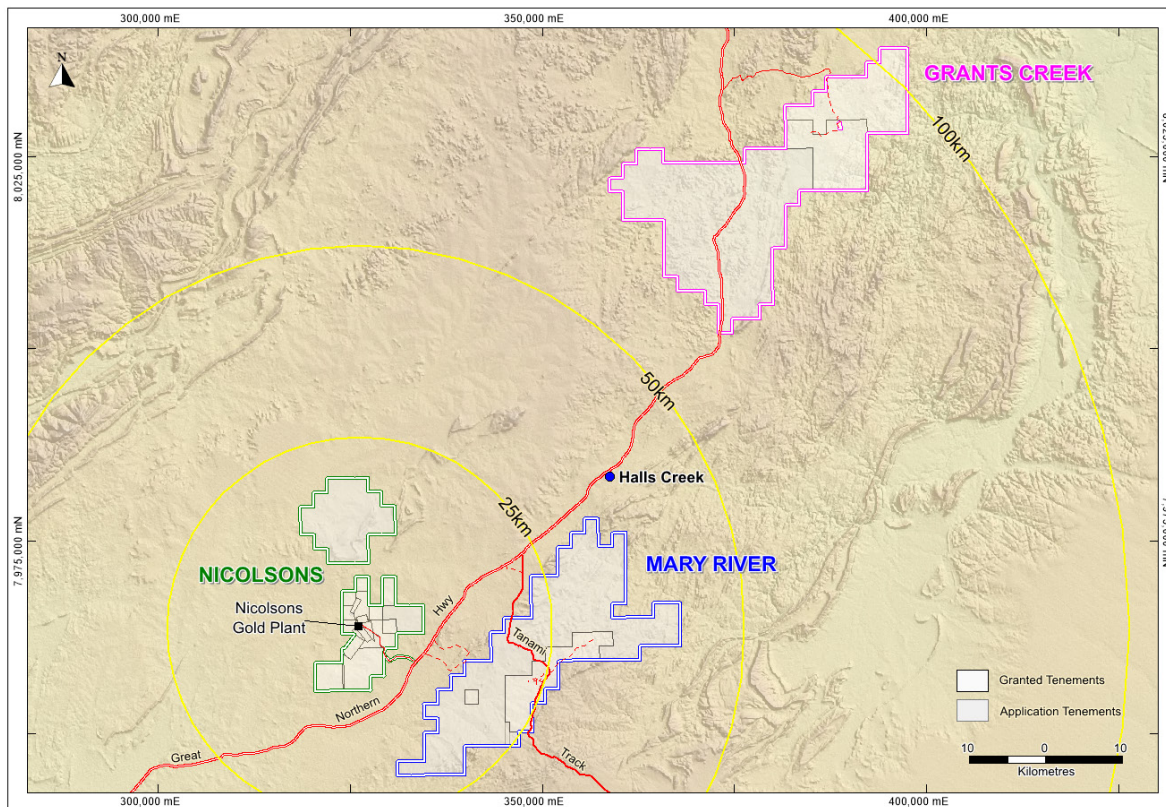
Minor improvements to the recently upgraded crushing circuit are ongoing and when completed will see processed ore increase to approximately 60,000 – 63,000 tonnes per quarter.

The ore sorter is operational and performing to expectation.



## Regional Exploration

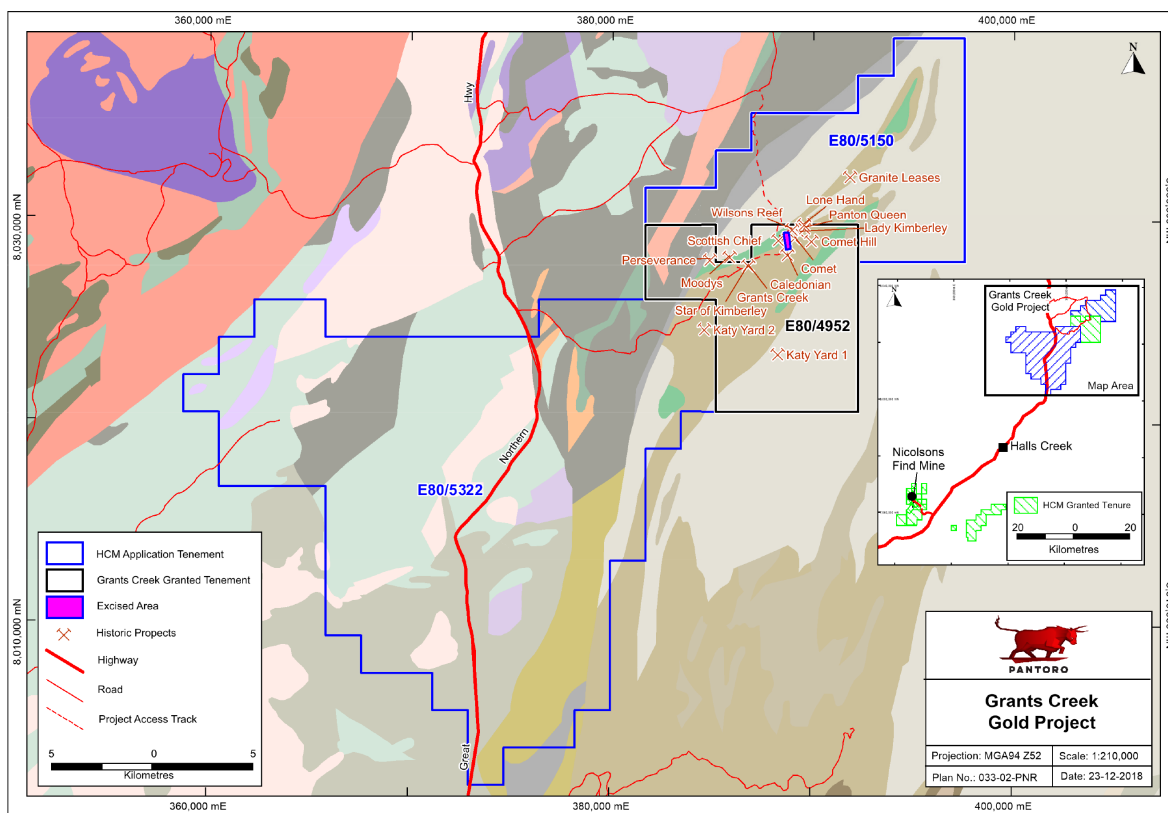
Pantoro acquired two regional projects during the 2017/2018 financial year, named Grants Creek, and Mary River. The projects are approximately 100 km and 25 km from Nicolsons respectively and are highly prospective for the discovery of additional ore suitable for processing at Nicolsons. Both projects are within trucking distance of the Nicolsons plant.



Both of the project areas were historically mined during the 1880's, and have seen limited exploration work in the modern era. Grants Creek is however reasonably well advanced with known mineralisation at Perseverance and Star of the Kimberley prospects the subject of a Notice of Intent to Mine during the 1990's. Drilling campaigns were undertaken during the 1980's, 1990's, and 2000's. Based on information presented in government databases, along with field inspection of the outcropping ore, the style of known mineralisation at Grants Creek appears to be of a similar nature to that seen at Nicolsons

## Grants Creek

Pantoro completed its maiden drilling program at Grants Creek during the quarter, returning excellent results from all prospects tested. Pantoro acquired additional exploration applications at Grants Creek during the quarter. The additional tenure encompasses probable extensions to the mineralised units at Grants Creek to the south. The current land holding at Grants Creek is provided in the diagram below.



All drilling results provided below have been previously reported in the following ASX releases:

- 9/1/2019 – Grants Creek and Nicolsons Exploration Update.
- 1/11/2018 – Excellent Drilling Results from Grants Creek.

### Perseverance

The Perseverance quartz reef is up to 7 meters wide at surface and forms a prominent ridge about 200 metres long. Drilling by Metminco in 2008 identified mineralisation to an average depth of 35 metres over a strike extent of 120 metres. The first pass drilling by Pantoro has returned the deepest intersections to date including 3 m @ 7.79 g/t Au from approximately 55 metres below surface and 1 m @ 7.3 g/t Au from 82 m below surface. Mineralisation remains open at depth. Additionally the drill lines were extended to the north-north-east, further extending the strike of the mineralisation to approximately 190 metres along strike and remains open. Drilling results to date include:

- 6 m @ 4.96 g/t Au from 66 m - inc. 1 m @ 11.2 g/t Au.
- 5 m @ 9.25 g/t Au from 38 m - inc. 1 m @ 37.1 g/t Au.
- 3 m @ 7.55 g/t Au from 12 m - inc. 1 m @ 10.61 g/t Au.
- 3 m @ 7.79 g/t Au from 62 m - inc. 1 m @ 14.7 g/t Au.
- 2 m @ 5.55 g/t Au from 12 m.
- 2 m @ 5.56 g/t Au from 61 m.
- 2 m @ 5.19 g/t Au from 29 m.



## Star of Kimberley

The Star of Kimberley reef is a sub vertical vein which outcrops for approximately 140 metres and is approximately 2 metres wide with a sub vertical orientation. Historical production was from two shafts mined during the 1880's, the deepest being approximately 21m deep. First pass drilling results included:

- 2 m @ 11.04 g/t Au from 46 m - inc. 1 m @ 20.3 g/t Au.
- 2 m @ 6.53 g/t Au from 24 m.
- 2 m @ 6.04 g/t Au from 24 m.
- 2 m @ 5.36 g/t Au from 10.3 m.

## Wilson's Reef

Wilson's reef comprises 2 veins which outcrop at surface for approximately 140 metres and are between 1 and 2 metres wide with a sub vertical orientation. Historical records are scant, however alluvial workings in an adjacent drainage exposed 3 separate stock work zones within folded metasediments over a 200m wide zone in a creek.

First pass drilling results included:

- 2 m @ 3.34 g/t Au from 40 m.
- 3 m @ 3.15 g/t Au from 20 m.
- 2 m @ 2.10 g/t Au from 2 m.
- 0.3 m @ 5.46 g/t Au from 4.3 m.
- 0.6 m @ 4.32 g/t Au from 5.4 m.

## Edison Prospect

Pantoro released drilling results from the Edison prospect to the ASX on 18/10/2018 in a release titled "Nicolsons Regional Exploration Yields Encouraging Results".

The Edison prospect is characterised by a 400 metre long gold in soil anomaly identified by Thundelarra Exploration in 2006, coincident with a structurally controlled magnetic anomaly interpreted from a close spaced aeromagnetic survey by Pantoro in 2017. Thundelarra was focussed on the discovery of Ni-Cu and PGE mineralisation in the Lamboo Igneous complex and drilling in 2006 returned significant widths of platinum+palladium+gold (Pt+Pd+Au) mineralisation including:

- 46 m @ 1.87 g/t Pt+Pd+Au from surface;
- 33 m @ 2.77 g/t Pt+Pd+Au from surface; and
- 37 m @ 2.07 g/t Pt+Pd+Au from 16 metres.

Reported under JORC 2004 by Thundelarra Exploration Limited (ASX:THX) in an ASX announcement dated 17 August 2006, "Platinum Significant new discovery in the East Kimberley".

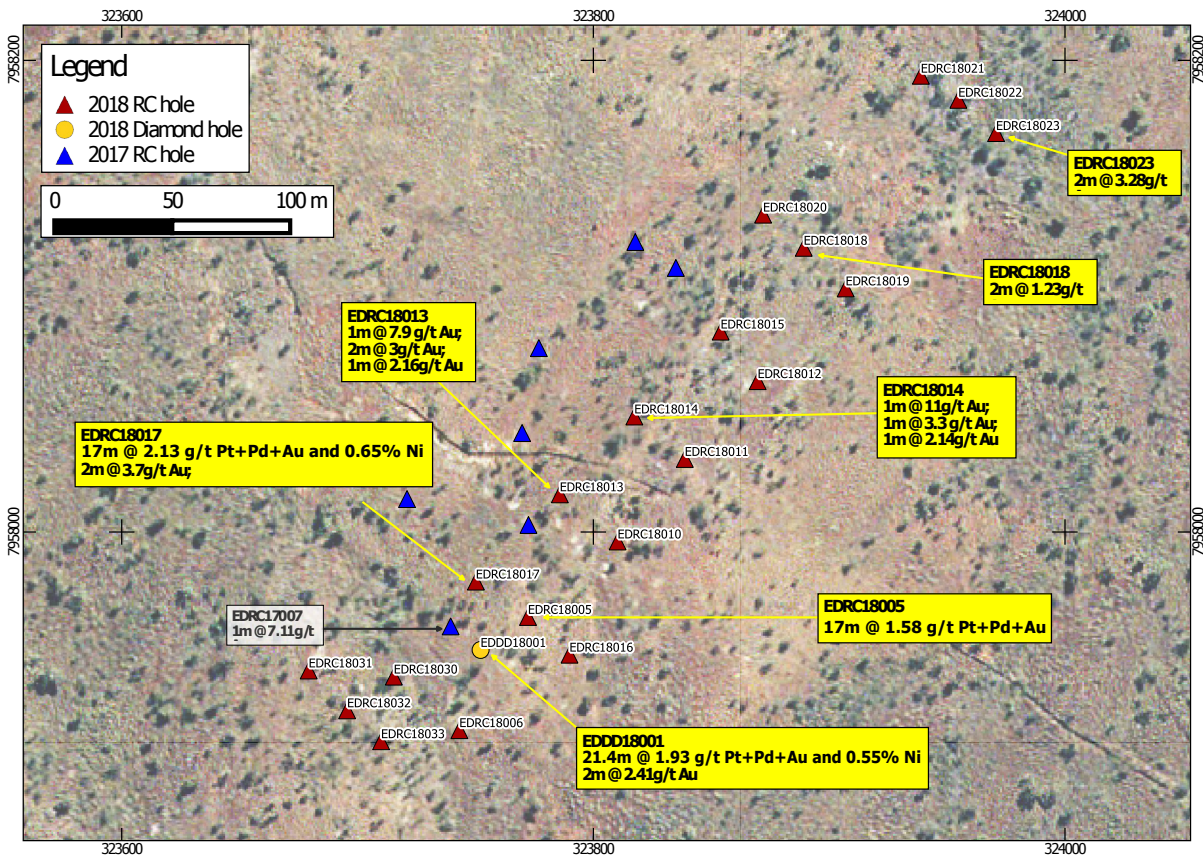
Drilling by Pantoro to date has focussed on the gold mineralisation however PGE mineralisation with associated nickel was confirmed within a sheared ultramafic unit during the recent drill program. The best gold and Pt/Pd results returned included:

### Au Results

- 2 m @ 2.41 g/t Au from 13.3 m.
- 1 m @ 11 g/t Au from 22 m.
- 2 m @ 3.0 g/t from 1 m.
- 1 m @ 7.9g/t Au from 13 m.
- 2 m @ 3.7 g/t Au from 4 m.
- 2 m @ 3.28 g/t Au from 63 m.

### Pt+Pd+Au and Ni Results

- 17 m @ 2.13 g/t Pt+Pd+Au and 0.65% Ni.
- 21.4 m @ 1.93 g/t Pt+Pd+Au and 0.55% Ni .
- 17 m @ 1.58 g/t Pt+Pd+Au.



This drilling has now defined gold mineralisation at shallow depths over 300 metres of strike, it remains open to the north and follow up drilling is planned to define the extent of the mineralised structures. To date, only 3 holes have been assayed for Platinum Group elements. Review of diamond drill core and RC chips from the recent program is underway, and the remaining 14 holes from the recent program are expected to be assayed during the March 2019 quarter.

## Papua New Guinea Projects

### Garaina Project (EL2518), Morobe Province, Papua New Guinea (100%)

The Garaina Project is Pantoro's main exploration target in PNG, located 100 km southeast of the Hidden Valley Mine and Wau Town, in the Morobe province, covering an area of approximately 380 km<sup>2</sup>. The tenement area covers the suture zone between the Owen Stanley Metamorphic thrust to the west and the Papuan Ultramafic to the east. Most of the EL is underlain by the Owen Stanley metamorphic complex, which is common to the majority of the known major mineral deposits in PNG.

PNR discovered significant surface mineralisation at the Kusi Prospect in January 2011 and since that time has completed extensive exploration programs with exciting surface exploration and drilling results.

Field campaigns have identified mineralisation and alteration signatures similar to those seen at the Kusi Prospect as far north as the Sim Prospect, and as far west as the Kasuma Prospect.

Pantoro continues to assess its forward work strategy as it considers partnering or divestment options for the project.

## Corporate Information

Pantoro ended the quarter in a strong financial position with no debt and cash and gold to the value of \$20.8 million. The company structure as at 31 December 2018 is provided in the table below.

<b>Cash &amp; Gold</b>	\$20.8 million <sup>^</sup>
<b>Debt</b>	Nil
<b>Ordinary Shares (PNR)</b>	858,680,144
<b>Employee Options</b>	16,075,000 (various exercise prices and expiry dates)
<b>Performance Rights</b>	2,000,000 (various expiry dates)

<sup>^</sup> Cash and gold includes \$18.3 million cash, 226 ounces gold at mint, 718 ounces gold in safe and 438 ounces GIC at closing price of \$1,816/oz.



## Interests in Mining Tenements

The following information is made available in accordance with ASX Listing Rule 5.3.3.

### Tenements held at the end of the Quarter

Halls Creek, Western Australia	Status	Interest %
E80/5120	Application	100%
E80/5150	Application	100%
E80/5185	Application	100%
E80/5312	Application	100%
E80/5321	Application	100%
E80/5322	Application	100%
P80/1857	Application	100%
E80/2601	Granted	100%
E80/3861	Granted	100%
E80/4458	Granted	100%
E80/4459	Granted	100%
E80/4952	Granted	100%
E80/4958	Granted	100%
E80/4991	Granted	100%
E80/5003	Granted	100%
E80/5004	Granted	100%
E80/5005	Granted	100%
E80/5006	Granted	100%
E80/5054	Granted	100%
L80/70	Granted	100%
L80/71	Granted	100%
L80/94	Granted	100%
M80/343	Granted	100%
M80/355	Granted	100%
M80/359	Granted	100%
M80/362	Granted	100%
M80/471	Granted	100%
M80/503	Granted	100%
P80/1842	Granted	100%
P80/1843	Granted	100%
P80/1844	Granted	100%
P80/1845	Granted	100%
P80/1846	Granted	100%

## Tenements held at the end of the Quarter (Continued)

Papua New Guinea	Status	Interest %
EL 2518	Granted	100%
EL 2321	Granted	100%

## Tenements Acquired/Disposed during the Quarter

Halls Creek, Western Australia	Status	Interest %
E80/5312	Application	100%
E80/5321	Application	100%
E80/5322	Application	100%

## Compliance Statements

### Halls Creek Project – Exploration Targets, Exploration Results

The information in this report that relates to Exploration Targets and Exploration Results is based on information compiled by Mr Scott Huffadine (B.Sc. (Hons)), a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Huffadine is a Director and full time employee of the company. Mr Huffadine is eligible to participate in short and long term incentive plans of and holds shares, options and performance rights in the Company as has been previously disclosed. Mr Huffadine has sufficient experience that is relevant to the style of mineralisation and 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 Resources and Ore Reserves'. Mr Huffadine consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

### Halls Creek Project - Mineral Resources & Ore Reserves

The information relating to Mineral Resources and Ore Reserves is extracted from reports entitled 'Nicolsons Project Mineral Resource and Ore Reserve Update' created on 1 June 2017 and 'Wagtail Underground Mineral Resource and Ore Reserve' created on 19 May 2018 and available to view on Pantoro's website ([www.pantoro.com.au](http://www.pantoro.com.au)). The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

### Grants Creek Exploration Drilling Results

The information relating to drilling results is extracted from reports entitled 'Nicolsons Regional Exploration Yields Encouraging Results' created on 18 October 2018 and available to view on Pantoro's website ([www.pantoro.com.au](http://www.pantoro.com.au)). The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

### Edison Exploration Drilling Results

The information relating to drilling results is extracted from a report entitled 'Grants Creek and Nicolsons Exploration Update' created on 9 January 2019 and 'Excellent Drilling Results from Grants Creek' created on 1 November 2018 and available to view on Pantoro's website ([www.pantoro.com.au](http://www.pantoro.com.au)). The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

### Edison Thundelarra Exploration Limited Drilling Results

The information is extracted from the report entitled "Platinum Significant new discovery in the East Kimberley" by Thundelarra Exploration Limited (ASX:THX) created on 17 August 2006 and is available to view on the ASX ([www.asx.com.au](http://www.asx.com.au)). The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement.

### Forward Looking Statements

Certain statements in this report relate to the future, including forward looking statements relating to Pantoro's financial position and strategy. These forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual results, performance or achievements of Pantoro to be materially different from future results, performance or achievements expressed or implied by such statements. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and deviations are both normal and to be expected. Other than required by law, neither Pantoro, their officers nor any other person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements will actually occur. You are cautioned not to place undue reliance on those statements.

## Appendix 5B

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

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

**Name of entity**

Pantoro Limited

**ABN**

30 003 207 467

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

31 December 2018

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	21,982	39,060
1.2 Payments for		
(a) exploration & evaluation	(1,701)	(2,871)
(b) development	(3,132)	(7,553)
(c) production	(11,257)	(23,391)
(d) staff costs	(4,554)	(9,114)
(e) administration and corporate costs	(349)	(653)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	32	42
1.5 Interest and other costs of finance paid	(10)	(19)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>1,011</b>	<b>(4,499)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(169)	(1,587)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-



Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(169)</b>	<b>(1,587)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	705	13,705
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	25	31
3.4 Transaction costs related to issues of shares, convertible notes or options	(24)	(713)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	(218)	(415)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>488</b>	<b>12,608</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	16,951	11,759
4.2 Net cash from / (used in) operating activities (item 1.9 above)	1,011	(4,499)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(169)	(1,587)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	488	12,608
4.5 Effect of movement in exchange rates on cash held	1	-
<b>4.6 Cash and cash equivalents at end of period</b>	<b>18,282</b>	<b>18,282</b>

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5. <b>Reconciliation of cash and cash equivalents</b> 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	18,282	16,946
5.2 Call deposits	5	5
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>18,282</b>	<b>16,951</b>

**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**

235

-

Total amounts paid to directors including salaries, directors fees, superannuation and consulting 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**

-

-

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

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$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.		

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	1,000
9.2 Development	4,000
9.3 Production	8,000
9.4 Staff costs	4,500
9.5 Administration and corporate costs	300
9.6 Other (PP&E)	900
<b>9.7 Total estimated cash outflows</b>	<b>18,700</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased	E80/5312, E80/5312, E80/5322 – Halls Creek Region, Western Australia	Tenement application, 100% owner.	0%	100%

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**Compliance statement**

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

Sign here:  .....

(Company secretary)

Date: 22 January 2019

Print name: David Okeby

**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.