



**ASX RELEASE | 26 APRIL 2018 | ASX: AON**

## **MARCH 2018 QUARTERLY REPORT**

**Strengthened balance sheet whilst increasing ownership and footprint in Pyrenees tungsten and gold projects following positive exploration results**

### **HIGHLIGHTS FROM THE MARCH 2018 QUARTER**

- **Completed a placement in April 2018 to leading European Institutional Investors including one of the world's largest mining funds to raise A\$6.0 million before costs**
- **Signed an agreement to increase ownership of the Couflens Project to 100% after recent field campaigns returned promising results including gold grades of up to 24.5 g/t and tungsten grades of up to 8.25% WO<sub>3</sub>**
- **Agreed to acquire a 75% interest in the Aurenere Project along strike from Couflens in neighbouring Spain where gold grades of up to 33.9 g/t and tungsten grades of up to 5.49% WO<sub>3</sub> were recorded**
- **Rock chip samples from the Couflens Project returned tungsten grades of up to 8.25% WO<sub>3</sub>. These results followed on from the previous announcement of high-grade gold of up to 24.5g/t**
- **Completed the 3D geological model of the historical Salau mine area incorporating all available historical data, including assays and drill logs from over 650 holes**
- **Progressed safety tests of the Salau mine area which highlighted the excellent conditions of the historical underground workings**
- **Tungsten prices continued to strengthen, ending the quarter at US\$324/mtu having risen 54% in the past 12 months owing to tightening supply in China and increased demand from the automotive and oil and gas sectors**
- **Announced plans to list the Company's wholly owned subsidiary Constellation Resources Limited, which holds Fraser Range nickel-copper and gold assets, via an Initial Public Offering (IPO) on the Australian Securities Exchange (ASX)**

### **LOOKING AHEAD**

#### **Salau Mine Area:**

- **Mapping and sampling of mineralisation and prospective fault structures exposed within the Salau mine to occur after the completion of safety tests in order to verify the historical data for resource estimation purposes and to generate additional exploration targets**
- **Ranking and prioritising the numerous identified priority exploration targets based on the available historical database and recent 3D geological modelling**



- Drill programs are being designed to confirm known zones of mineralisation within the Salau mine area and to test for extensions of these zones. Company will assay for multi-elements including tungsten and gold
- Evaluating the use of underground geophysical surveys to facilitate the identification of new drill targets and enhance the Company's understanding of geological structures within the Salau mine area
- Planning geotechnical stability tests and additional sampling programs at the tailings disposal areas outside the Salau mine where gold grades of up to 8.94 g/t were recorded and tungsten grades averaged 0.49% WO<sub>3</sub> based on previous tailings sampling programs

Within the broader ground holding including the Couflens Project (France) and the adjacent Aurenere Project (Spain):

- Conduct further surface exploration programs to assess the identified tungsten and gold prospects at Couflens and Aurenere and advance them to the drill ready stage
- Planning for airborne geophysical surveys to refine regional targets and improve Company understanding of regional geological structures

#### CORPORATE:

- The Company held A\$1.5 million in cash at the end of the quarter. Post completion of the placement, the Company currently has A\$6.7 million in cash, with no debt
- The Company will complete the listing of its Fraser Range nickel-copper and gold assets via the IPO of its wholly owned subsidiary Constellation Resources
  - It is expected that Constellation will offer up to 35 million new shares at an issue price of A\$0.20 each to raise up to A\$7.0 million (before costs)
  - Shareholders of Apollo Minerals with a registered address in Australia holding at least 12,500 shares at the record date of 10 May 2018 will receive an entitlement to subscribe for Constellation shares on a 1 for 5 basis
  - Subscribers to the Constellation IPO will also receive one option with an exercise price of A\$0.20 expiring on 31 July 2021 (Constellation Options) for every three shares subscribed
  - Detailed information on Constellation and the offer of securities under the IPO will be included in a prospectus that will be made available after lodgement with ASIC. Applications for Constellation securities can only be made by completing the application form which will accompany the prospectus. Constellation expects to lodge a prospectus in the coming weeks

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## **A\$6.0 MILLION RAISED FROM INSTITUTIONAL PLACEMENT**

Subsequent to the end of the quarter, the Company completed a placement of 26.1 million shares to Institutional Investors to raise A\$6.0 million before costs.

The placement was made to leading European institutions including one of the world's largest mining funds.

The funds raised will be used to accelerate planned exploration programs including drilling and feasibility work at the Company's Couflens Project in France and progressing the adjacent Aurenere Project in neighbouring Spain.

Following issue of the shares, the Company has 167.5 million shares on issue.

## **APOLLO MINERALS TO INCREASE OWNERSHIP OF COUFLENS TO 100%**

Apollo Minerals acquired an initial 80% interest in the Couflens Project in 2017. Following initial exploration activities on site, which delivered promising results, the Company announced on 7 March 2018 that it had entered into an agreement to acquire the remaining 20% interest in the Couflens Project.

Following the completion of the transaction the Company will own 100% of the Couflens Project.

The acquisition ensures Apollo Minerals will have full upside to the Couflens Project, just as the Company ramps up its major exploration campaigns and study programs. The transaction clears the way for more streamlined decision making and increases optionality for future funding of the Project.

In accordance with the terms of the Sale and Purchase Agreement, Apollo Minerals will acquire the remaining 20% interest in the Couflens Project through the purchase of Variscan Mines SAS ("Variscan France"), a wholly owned subsidiary of Variscan Mines Limited (ASX: VAR).

Apollo Minerals is funding the transaction using a combination of cash and future share payments based on the achievement of project milestones, as well as assuming the liabilities of Variscan France. The majority of the consideration is deferred and is weighted towards share based payments in the future, thereby limiting the upfront cash outlay.

The Company's acquisition of the remaining 20% of the Couflens Project, which is subject to certain conditions precedent including approval by the French authorities, highlights its commitment to the project, which has the potential to once again become a major strategic supplier of tungsten, one of Europe's most critical metals, to French and European industries.

## **ACQUISITION OF AURENERE PROJECT ALONG STRIKE FROM COUFLENS**

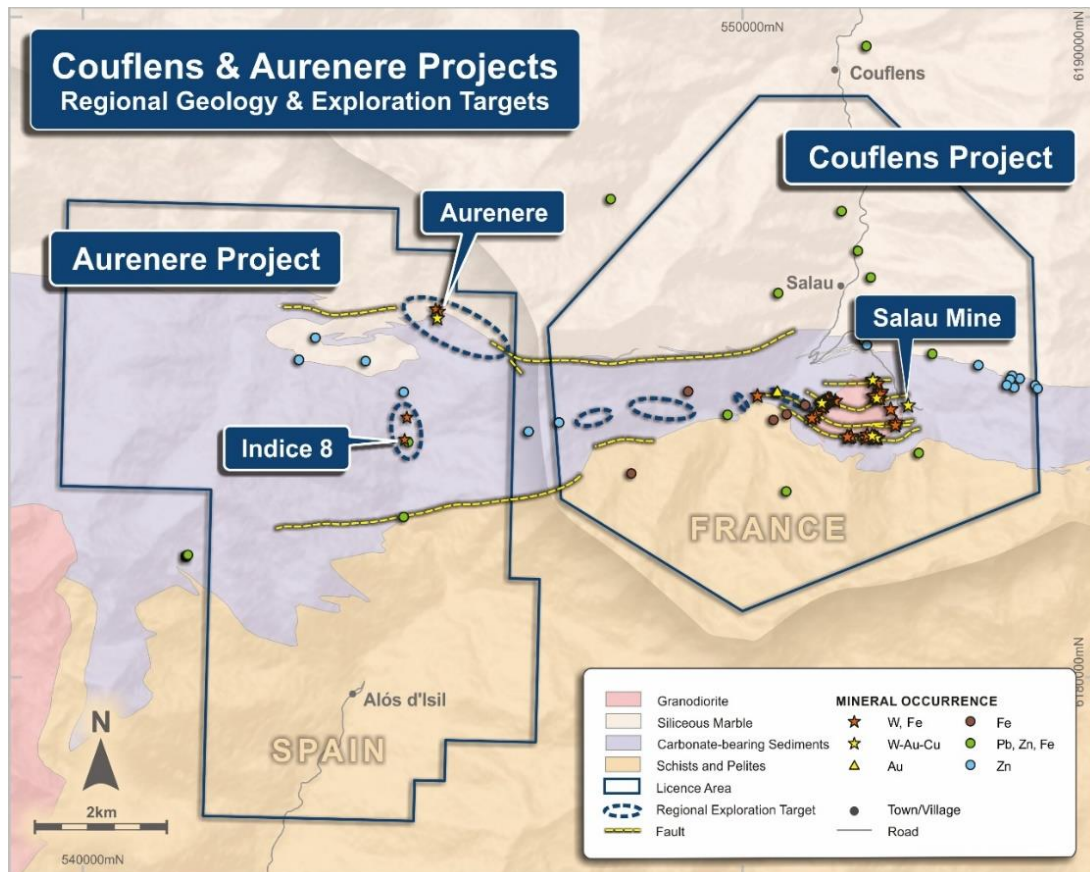
The Company entered into an agreement to acquire a 75% interest in the Aurenere tungsten-gold project ("Aurenere Project") in north east Spain along strike and consistent with the geology from its Couflens Project in France.

The Project comprises an Investigation Permit (*Permiso de Investigacion*) application that covers a 55km<sup>2</sup> area directly adjacent to the Company's Couflens Project, which includes the historic Salau mine.



Under the Share Purchase and Shareholders Heads of Agreement (“HoA”), the Company will acquire 75% of the share capital of NeoMetal Spania S.L (“NeoMetal”), which holds the rights to the 100% interest in the Aurenere Project, through its wholly owned subsidiary Apollo Minerals (UK) Limited.

The commercial terms of the acquisition of the upfront 75% interest in Neometal include €100,000 cash upon completion and a further €150,000 upon the grant of the Investigation Permit.



**Figure 1: Regional Geology of Couflens and Aurenere Projects**

The presence of a thick package of carbonate-bearing sediments, locally intruded by small granodioritic bodies with associated scheelite and/or pyrrhotite mineral occurrences, highlights the potential for new tungsten-gold discoveries within the highly prospective corridor extending for over 10km along strike to the west of the Salau deposit into the Aurenere Project area (Figures 1).

Potential also exists for shear hosted gold mineralisation to be associated with large fault structures extending to the west of the Salau mine area towards the Aurenere Project.

The Investigation Permit is still under application and there can be no assurance that it will be granted, however the Company believes that there is a reasonable prospect that the application will be granted.



## HIGH GRADE GOLD AND TUNGSTEN SAMPLING RESULTS FROM AURENERE

Following the announcement of the agreement to acquire a 75% interest in the Aurenera Project, the Company verified the results from an initial reconnaissance field program carried out by NeoMetal to assess a previously identified skarn occurrence located in the northeast of the Project area (“Aurenera Prospect”).

The reconnaissance field program, carried out in September 2017, included detailed geological and structural mapping, rock chip sampling of outcrop, and input of the data into an ArcGIS software package to facilitate data integration and interpretation.

An outcrop of pyrrhotite rich skarn located at the contact between a granodiorite and carbonate-bearing sediments, measuring approximately 100m<sup>2</sup> in area, was mapped and systematically sampled.

A total of 68 select rock chip samples were collected on an approximately 1m by 1m grid over the skarn outcrop and submitted for gold and multi-element (including tungsten and copper) analysis. The assays were subsequently verified by the Company and reported during the quarter.

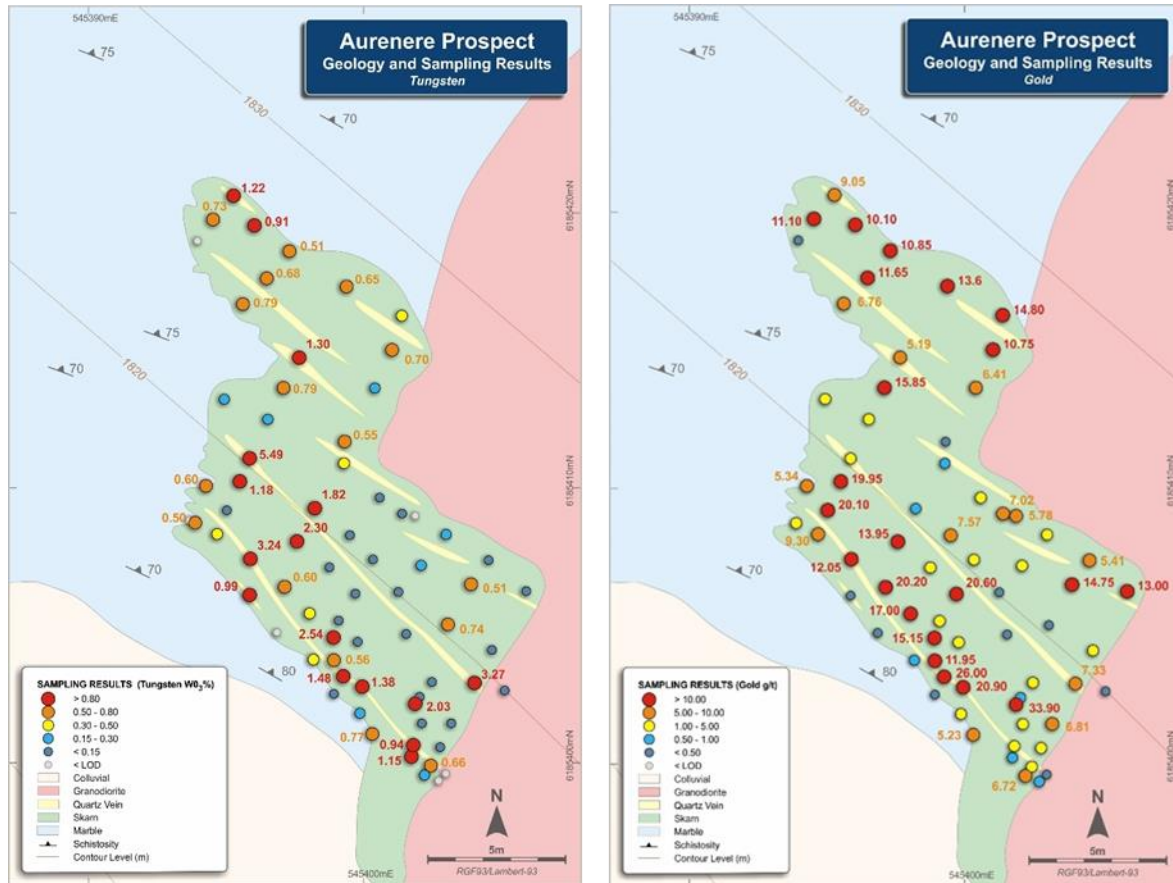
Assay results returned for these rock chip samples confirmed the presence of high grade gold (up to 33.90 g/t) and tungsten (up to 5.49% WO<sub>3</sub>) mineralisation associated with the pyrrhotite rich skarn (Figures 2 and 3).

Best gold results from the sampling program, with the associated tungsten assays, include:

- 33.90 g/t gold with 2.03% WO<sub>3</sub> (Sample AUR21)
- 26.00 g/t gold with 1.48% WO<sub>3</sub> (AUR113)
- 20.90 g/t gold with 1.38% WO<sub>3</sub> (AUR117)
- 20.60 g/t gold with 0.10% WO<sub>3</sub> (AUR118)
- 20.20 g/t gold with 0.60% WO<sub>3</sub> (AUR13)
- 20.10 g/t gold with 0.08% WO<sub>3</sub> (AUR07)
- 19.95 g/t gold with 1.18% WO<sub>3</sub> (AUR09)
- 17.00 g/t gold with 0.30% WO<sub>3</sub> (AUR14)
- 15.85 g/t gold with 0.79% WO<sub>3</sub> (AUR16)
- 15.15 g/t gold with 2.54% WO<sub>3</sub> (AUR18)

Best tungsten results recorded, with the associated gold assays, include:

- 5.49% WO<sub>3</sub> with 1.22 g/t gold (AUR10)
- 3.27% WO<sub>3</sub> with 7.33 g/t gold (AUR32)
- 3.24% WO<sub>3</sub> with 12.05 g/t gold (AUR12)
- 2.54% WO<sub>3</sub> with 15.15 g/t gold (AUR18, reported above)
- 2.30% WO<sub>3</sub> with 13.95 g/t gold (AUR107)
- 2.03% WO<sub>3</sub> with 33.90 g/t gold (AUR21, reported above)



Figures 2 and 3: Aurenere Prospect - Geology and Rock Chip Sampling Results

## HIGH GRADE TUNGSTEN SAMPLING RESULTS OF UP TO 8.25% WO<sub>3</sub> FROM COUFLENS

In 2016 a surface exploration program resulted in the identification of gold occurrences associated with three main east-west trending fault structures within the Couflens licence area.

In September 2017, a follow-up surface exploration program was completed which was primarily focussed on identifying extensions to the gold occurrences along these fault structures. The majority of samples were collected on the margins of the granodiorite intrusion (Fourque granodiorite) near the historical Salau tungsten mine.

A total of 222 select rock chip samples were collected during the field campaign and subsequently submitted for gold and multi-element (including tungsten and copper) analysis. Assay results from the gold samples were received first and were reported to the market on 29 November 2017, demonstrating widespread gold occurrences with grades of up to 24.5 g/t.

Assay results from all other elements, including tungsten and copper, were subsequently received and the results were reported during the quarter. The tungsten assay results confirmed the presence of widespread, outcropping, high grade skarn mineralisation around the margins of the Fourque granodiorite (Figure 4).

Where the skarns are observed to be intersected by east-west trending fault structures/shear zones, the mineralisation is typically sulphide-rich (mainly massive pyrrhotite, chalcopyrite and sphalerite) and contains substantially higher values of tungsten (up to 8.25% WO<sub>3</sub>), gold (up to 24.5 g/t) and copper (up to 0.94%).



A number of quality targets were identified around the margins of the Fourque granodiorite in addition to the surface exposure of the Bois d'Anglade and Veronique deposits mined during the historical production (Figure 4).

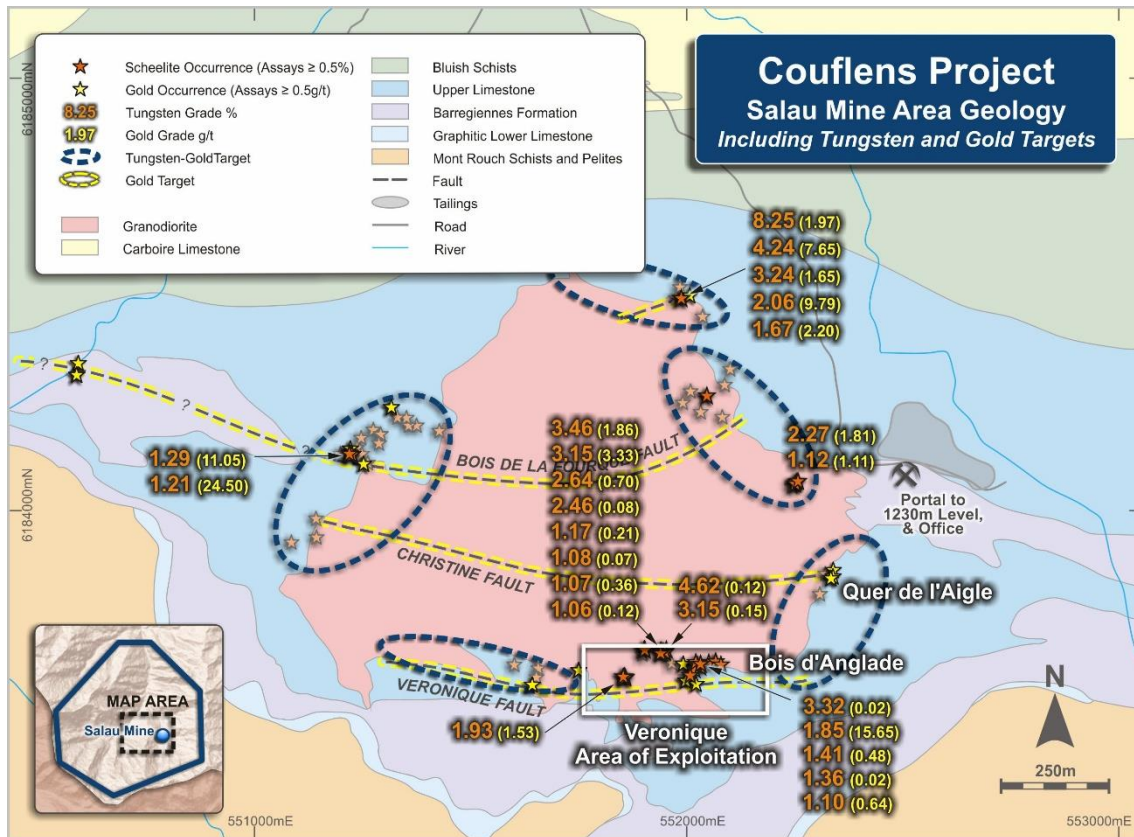


Figure 4: Salau Mine Area – Geology and Exploration Targets

Outcropping skarn mineralisation impregnated by massive sulphides, observed at the northeastern margin of the Fourque granodiorite, returned high grade tungsten and gold assays results including:

- 8.25%  $\text{WO}_3$  with 1.97 g/t gold
- 4.24%  $\text{WO}_3$  with 7.65 g/t gold
- 3.24%  $\text{WO}_3$  with 1.65 g/t gold
- 2.06%  $\text{WO}_3$  with 9.79 g/t gold
- 1.67%  $\text{WO}_3$  with 2.20 g/t gold

High grade tungsten-gold mineralisation was confirmed along the western margin of the Fourque granodiorite in spatially close association with the Bois de la Fourque fault.

Best results from this target area included 1.29%  $\text{WO}_3$  with 11.05 g/t gold and 1.21%  $\text{WO}_3$  with 24.50 g/t gold. An area of identified skarn mineralisation along eastern margin of the Fourque granodiorite returned high grade assay results including 2.27%  $\text{WO}_3$  with 1.81 g/t gold and 1.12%  $\text{WO}_3$  with 1.11 g/t gold.

Widespread high grade skarn mineralisation impregnated by massive sulphides was identified within the Bois d'Anglade embayment at the south-eastern margin of Fourque granodiorite, spatially close to the extension of the Veronique fault, with numerous samples also recording high gold values. Best results include:



- 4.62% WO<sub>3</sub> with 0.12 g/t gold
- 3.46% WO<sub>3</sub> with 1.86 g/t gold
- 3.32% WO<sub>3</sub> with 0.02 g/t gold
- 3.15% WO<sub>3</sub> with 3.33 g/t gold
- 3.15% WO<sub>3</sub> with 0.15 g/t gold
- 2.64% WO<sub>3</sub> with 0.70 g/t gold
- 2.46% WO<sub>3</sub> with 0.08 g/t gold
- 1.93% WO<sub>3</sub> with 1.53 g/t gold
- 1.85% WO<sub>3</sub> with 15.65 g/t gold

### **PROGRESS WITH BROWNFIELDS ACTIVITIES AT THE HISTORICAL SALAU MINE**

The development of a 3D geological model of the Salau mine area was completed during the quarter and incorporated all the available historical data.

The database relating to the historical Salau mine is extensive and comprises a combination of high quality geological and drilling data (over 650 holes for ~50,000m of drilling), as well as underground mining and processing data, covering all exploration and production during the mine's 15 years in operation.

The historical database and 3D modelling is enabling the Company to readily define high priority exploration targets and has the potential to accelerate the definition of a maiden mineral resource estimate, subject to verification of the historical drill data by Company geologists.

Health and safety tests within the Salau mine environment continued during the quarter and highlighted the excellent conditions of the existing underground development in terms of ground stability and natural ventilation flow.

### **PLANS TO LIST FRASER RANGE NICKEL-COPPER AND GOLD ASSETS**

Following the recent successful capital raising by the Company and its increased focus on its European tungsten and gold projects, the Company advised on 23 April 2018 that it would seek to list its wholly owned subsidiary Constellation Resources Limited ("**Constellation**"), which holds the Fraser Range nickel-copper and gold assets, via an initial public offering ("**IPO**") on the Australian Securities Exchange ("**ASX**").

Shareholders of Apollo Minerals with a registered address in Australia and holding at least 12,500 shares as at 10 May 2018 ("**Record Date**") will receive a priority entitlement to subscribe for Constellation shares on a 1 for 5 basis. This date is indicative only and Constellation reserves its right to vary this date.

It is expected that Constellation will offer 35 million new shares at an issue price of A\$0.20 each to raise A\$7.0 million (before costs). Subscribers will also receive one free attaching listed option with an exercise price of A\$0.20 expiring on 31 July 2021 ("**Constellation Option**") for every three shares subscribed under the IPO.

As Apollo Minerals is now principally focussed on developing the Couflens Project in France and the adjacent Aurenere Project in Spain, it is taking steps to maximise the potential for its portfolio of projects outside of Europe.





The separate listing of Constellation will allow Apollo Minerals' management to focus on its Couflens and Aurenere Projects. The listing will also ensure that Constellation will have a dedicated management team and funding for exploration activities on the Fraser Range nickel-copper and gold assets (which are also referred to as the Orpheus Project).

Detailed information on Constellation, the offer of securities under the IPO, the capital structure and an indicative timetable will be included in a prospectus that will be made available after lodgement with the Australian Securities and Investments Commission ("ASIC"). Investors should consider the prospectus (when available) in deciding whether to acquire Constellation securities. Applications for Constellation securities can only be made by completing the application form which will accompany the prospectus. Constellation expects to lodge a prospectus in the coming weeks.

## **LOOKING AHEAD – PLANNED WORK PROGRAMS**

Within the Couflens Project area lies the historical Salau tungsten mine which is open at depth, and with gold upside. Apollo Minerals is focused on brownfields exploration activities aimed at confirming known zones of mineralisation within the Salau mine area and testing for extensions of these zones.

### **Salau Mine Area**

Mapping and sampling of mineralisation and prospective fault structures exposed within the Salau mine will occur after the completion of safety tests in order to verify the historical data for resource estimation purposes and generate additional exploration targets.

Drill planning has commenced for the Salau mine area, and the numerous identified priority exploration targets are being ranked and prioritised based on the historical database and recent 3D geological modelling.

The Company is also evaluating the applicability of underground geophysical surveys to facilitate the identification of new drill targets and enhance the Company's understanding of geological structures within the Salau mine environment.

### **Tailings Area**

The Company is planning geotechnical stability tests and sampling programs at the two historical tailings disposal areas at the Salau mine. These sampling programs may ultimately target the definition of tungsten and gold resources within the tailings, where gold grades of up to 8.94 g/t were recorded and tungsten grades averaged 0.49% WO<sub>3</sub> based on recent tailings sampling programs.

Whilst very early stage in nature, the Company plans to study the potential to reprocess the tailings to extract the gold and tungsten whilst at the same time restoring the natural habitat and improving soil conditions left over from the historical tungsten operations

### **Broader Ground Holding (France and Spain)**

Within the Company's broader ground holding, which includes both the Couflens and Aurenere Project areas covering a total of 97km<sup>2</sup>, a number of regional exploration targets have been identified from historical and recent field campaigns.

Further surface exploration programs and airborne geophysical surveys are planned to be undertaken in order to refine these targets and advance them to the drill ready stage.



Applications with respect to the airborne geophysical surveys and regional drill programs will be prepared and submitted the relevant authorities once planning is sufficiently advanced.

## **CORPORATE**

Following completion of the placement in April 2018 to leading European Institutional Investors, Apollo Minerals is in a strong financial position with current cash at bank of approximately A\$6.7 million and no debt.

## **COMPETENT PERSONS STATEMENT**

*The information in this report that relates to Exploration Results from the Couflens Project in France and Aurenere Project in Spain is extracted from announcements on 29 November 2017, 5 February 2018 and 27 March 2018. These announcements are available to view on [www.apollominerals.com.au](http://www.apollominerals.com.au). The information in the original announcement that related to Exploration Results were based on, and fairly represents, information compiled by Mr Robert Behets, a Competent Person who is a Fellow of The Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Mr Behets is a holder of shares and options in, and is a director of, Apollo Minerals Limited. Mr Behets has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. 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.*



## Appendix 1: Summary of Mining Tenements

As at 31 March 2018, the Company has an interest in the following projects:

Project Name	Permit Number	Percentage Interest	Status
Couflens Project, France	Couflens PER <sup>(1)</sup>	80%	Granted
Fraser Range, Western Australia	E63/1281	70%	Granted
	E63/1282	70%	Granted
	E28/2403	70%	Granted
	E63/1695 <sup>(2)</sup>	70%	Application
	E28/2738 <sup>(3)</sup>	100%	Application
Commonwealth Hill, South Australia	EL5969	100%	Granted
	EL6013	100%	Granted
Kango North, Gabon	G1-340 <sup>(4)</sup>	Nil	Granted

### Notes:

1. The Company entered an agreement in March 2018 to acquire the remaining 20% interest in the Couflens Project. Completion is subject to a number of conditions precedent.
2. Exploration licence E63/1695 is in application pending grant by the Western Australian DMP.
3. Exploration licence E28/2738 is in application pending grant by the Western Australian DMP.
4. Exploration licence G1-340 expired during the quarter and was not renewed.

## Appendix 2: Summary of Performance Shares on Issue

In accordance with ASX Waiver dated 4 May 2017, the Company provides the following information in respect of the Performance Shares on issue:

- a) The number of Performance Shares on issue as at 31 March 2018:
  - a. 10,000,000 Class A Convertible Performance Shares;
  - b. 10,000,000 Class B Convertible Performance Shares;
  - c. 10,000,000 Class C Convertible Performance Shares;
  - d. 15,000,000 Class D Convertible Performance Shares; and
  - e. 20,000,000 Class E Convertible Performance Shares.
- b) Each Performance Share will convert into one Share upon the earlier of the satisfaction of the relevant milestone or an Asset Sale, on or prior to the Expiry Date:
  - a. **Class A Milestone** means the announcement by the Company to ASX of the delineation of at least an Inferred and Indicated Mineral Resource of at least 25,000 tonne WO<sub>3</sub> at an average grade of not less than 1.0% WO<sub>3</sub> using a cut-off grade of not less than 0.3% WO<sub>3</sub> on the Project Licences and which is prepared and reported in accordance with the provisions of the JORC Code. For the avoidance of doubt, the referenced tonnes and grade are WO<sub>3</sub> values, not WO<sub>3</sub> equivalent values incorporating by-products credits.
  - b. **Class B Milestone** means the announcement by the Company to ASX of the delineation of at least an Inferred and Indicated Mineral Resource of at least 500,000 troy ounces of gold at an average grade of not less than 0.8 grams per tonne on the Project Licences and which is prepared and reported in accordance with the provisions of the JORC Code.
  - c. **Class C Milestone** means the release of a comprehensive announcement by the Company to ASX of the results of a positive Scoping Study on all or part of the Project Licences.
  - d. **Class D Milestone** means the release of a comprehensive announcement by the Company to ASX of the results of a positive Pre-Feasibility Study on all or part of the Project Licences.
  - e. **Class E Milestone** means the release of a comprehensive announcement by the Company to ASX of the results of a positive Definitive Feasibility Study on all or part of the Project Licences.
  - f. **Asset Sale** means the announcement by the Company of any completed direct or indirect sale, lease, exchange, or other transfer (in one transaction or a series of related transactions) of all or part of the Exploration Permit, other than to an entity controlled by the Company, provided that the total amount of consideration received by the Company is at least A\$21 million.
  - g. **Expiry Date** means 5.00pm (Perth time) on the date which is 5 years after the date of issue of the Performance Shares (ie. 30 June 2022).
- c) No Performance Shares were converted or cancelled during the quarter.
- d) No vesting conditions were met during the quarter.

## 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

APOLLO MINERALS LIMITED

### ABN

96 125 222 924

### Quarter ended ("current quarter")

31 MARCH 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(740)	(1,861)
(b) development	-	-
(c) production	-	-
(d) staff costs	(45)	(137)
(e) administration and corporate costs	(118)	(382)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	8	37
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)		
- Business development	(167)	(303)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,062)</b>	<b>(2,646)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(4)
(b) tenements (see item 10)	(200)	(200)
(c) investments	-	-
(d) other non-current assets		

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	600
2.3	Cash flows from loans to other entities	(15)	(15)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(215)</b>	<b>381</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
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	-	(11)
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>(11)</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	2,741	3,740
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,062)	(2,646)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(215)	381
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(11)
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>1,464</b>	<b>1,464</b>

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	231	246
5.2 Call deposits	1,233	2,495
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>1,464</b>	<b>2,741</b>

6. <b>Payments to directors of the entity and their associates</b>	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	267
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	

Payments include director fees, consulting fees, superannuation, provision of a fully serviced office and provision of technical services (including field, laboratory and geological staff and analytical laboratory services).

7. <b>Payments to related entities of the entity and their associates</b>	Current quarter \$A'000
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	

Not applicable

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

Not applicable

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

<b>9. Estimated cash outflows for next quarter</b>		<b>\$A'000</b>
9.1	Exploration and evaluation	750
9.2	Development	-
9.3	Production	-
9.4	Staff costs	130
9.5	Administration and corporate costs	120
9.6	Other (provide details if material)	
	- Business development	100
	- Project acquisition (Aurenere)	160
<b>9.7</b>	<b>Total estimated cash outflows</b>	<b>1,260</b>

<b>10.</b>	<b>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	G1-340 (Kango North)	Joint Venture	70%	0%
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

### Compliance statement

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

Sign here: .....

(Director/Company secretary)

Date: 26 April 2018

Print name: Clint McGhie.

**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.