



**ASX RELEASE | 31 JULY 2018 | ASX: AON**

## **JUNE 2018 QUARTERLY REPORT**

**Received government approval for 100% ownership of the Couflens Project whilst finalising drill programs and strengthening management team**

### **HIGHLIGHTS FROM THE JUNE 2018 QUARTER**

- Received approval from the French Ministry of Economy and Finance of the proposed acquisition of the remaining 20% interest in the Couflens Project
- Completed the initial phase of health and safety risk assessments within the historical Salau tungsten mine, focused on geotechnical stability, air quality monitoring, ventilation tests and water quality
- Tests confirmed excellent infrastructure servicing the historical mine and excellent ground conditions within competent granite or marble host rock
- Submitted a proposed program of works to the French authorities for the restoration of mine services including ventilation
- Ranked and prioritised numerous drill targets for gold and tungsten based on historical drilling data and 3D modelling completed by Company geologists
- Submitted applications for an extensive airborne geophysics survey at the Couflens Project
- Submitted applications for a drill program at the Aurerene Project in Spain as part of the application for an Investigation Permit
- Strengthened management team with the appointment of Mr Hugo Schumann, an experienced European mining executive, as Executive Director
- Co-founded the Club de Mécènes Mines du Salat to support the cultural and historical heritage of the Couserans province of France
- Completion of A\$6 million placement to leading European Institutional Investors
- Completed the listing of the Company's former subsidiary Constellation Resources Limited, which holds the Fraser Range nickel-copper and gold assets, via an Initial Public Offering (IPO) on the Australian Securities Exchange (ASX) on 30 July 2018
- Tungsten prices continued to strengthen, rising 6% during the quarter and ending at US\$347 per mtu, the highest level since 2014

### **LOOKING AHEAD**

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

- Finalise and submit applications for drill programs for gold and tungsten within the Salau mine area



- Final round of health and safety risk assessments to be completed in the coming months
- 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>

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

- Extensive airborne geophysical surveys to refine regional targets and enhance understanding of regional geological structures
- Based on the results of the airborne surveys, complete drill program applications to assess the identified tungsten and gold prospects

#### **CORPORATE:**

- Appointment of Mr Dylan Browne as Chief Financial Officer and Company Secretary
- The Company held A\$5.5 million in cash and no debt at the end of the quarter

#### **Executive Director Hugo Schumann commented:**

*“Our geological team has successfully digitised the assay results of more than 650 historical drill holes and constructed 3D geological models focused on the historical Salau mine. We have now developed multiple drill targets for gold and tungsten and will be making applications for drilling in the coming quarter.*

*We have been working closely with the authorities on health and safety risk assessments to ensure safe working conditions for our exploration campaigns inside the historical Salau mine. These assessments confirmed excellent infrastructure and ground conditions. Numerous areas of visible mineralisation prospective for gold and tungsten have been identified.*

*As we look ahead we plan to finalise the risk assessments, re-establish mine services (ventilation, power and water), and then commence an extensive exploration program including underground drilling and channel sampling.*

*In the wider region across our large licence holding we have planned an airborne geophysics program which will assist with drill targeting where high-grade gold and tungsten targets have been identified from field campaigns.”*

#### **For further information please contact:**

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## **INTRODUCTION**

Apollo Minerals Limited is developing the Couflens Project (“Couflens Project”) and the Aurenere Project (“Aurenere Project”) in a highly prospective region of the Pyrenees.

The Couflens Project is located in the Pyrenees region of southern France and comprises a 42km<sup>2</sup> licence area, within which lies the high grade historical Salau tungsten mine. Within the Couflens Project area lies the historical Salau tungsten mine which is open at depth, and with significant gold potential.

Apollo Minerals is focused on brownfields activities within, and immediately adjacent to, the historical Salau mine whilst also conducting aggressive regional exploration programs, focused initially on gold.

## **FRENCH GOVERNMENT APPROVES TRANSACTION TO INCREASE OWNERSHIP OF COUFLENS TO 100%**

The Company received approval from the French Ministry of Economy and Finance of the proposed acquisition of the remaining 20% interest in the Couflens project

Apollo Minerals Limited (“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 in March 2018 that it had entered into an agreement to acquire the remaining 20% interest in the Couflens Project.

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).

The approval, which was received in June 2018 and was a condition precedent to completion of the transaction, required the Ministry of Economy and Finance to confirm compatibility of the proposed transaction with decree 2006-648 of 2 June 2006 relating to mining titles.

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.

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

## **EXCELLENT INFRASTRUCTURE AND GROUND CONDITIONS CONFIRMED AT HISTORICAL SALAU TUNGSTEN MINE**

Prior to the commencement of exploration works within the Salau mine, the Company was required to complete a series of health and safety risk assessments aimed at ensuring safe conditions for workers during the exploration phase of the Couflens Project.

An initial phase of risk assessments, focused on geotechnical stability, air quality monitoring, ventilation tests and water quality have been completed and results confirmed excellent infrastructure and ground conditions within the mine.

A review of ground conditions at the main levels 1230, 1320 and 1430 confirmed they were in excellent condition, with limited degradation having occurred in the 30 years since the mine’s closure.



The excellent conditions are largely due to the nature and competence of the granodiorite or marble host rock into which historical mine developments were driven.



**Figure 1: Mine access at level 1230 (Historical Photo)**



**Figure 2: Mine development drive at level 1230 (Modern Photo)**

The mineralised areas of the main levels were also assessed to be in good condition which is expected to facilitate mapping, sampling and drilling during upcoming exploration programs.



*Figure 3: Veronique fault showing in level 1230*

## **COMMITMENT TO WORKING WITH THE LOCAL COMMUNITIES**

On 19 July 2018, the Company announced that it had demonstrated its commitment to local communities through the creation of a significant cultural heritage initiative – the Club de Mécènes Mines du Salat (“CMMS”).

The CMMS was established by Apollo Minerals’ French subsidiary, Mines du Salat along with a number of local businesses. The CMMS was established to ensure the cultural and historical heritage of the Couserans province in the Ariège region continues to be upheld.

The following projects have been identified for funding:

- the restoration of three paintings in the Vic d'Oust church;
- the renovation of the roof, electricity and paintings of the Romanesque church of Saint-Jacques d'Aubert in Moulis; and
- a study of the statues at the chapel Notre-Dame du Pouech in Oust, classified as historical monuments.

Work on the above programs will commence in the coming months.

Every restoration project that the CMMS commits to financing has the potential to create direct and indirect jobs.

Companies donating to the CMMS may be eligible to benefit from a 60% corporate tax reduction, up to a limit of 5% of turnover excluding taxes (as opposed to a direct contribution by the French Government as previously announced).

The establishment of the CMMS further strengthens the Company’s commitment to the region and reinforces its desire to develop strong and lasting relationships with local stakeholders.



## **PLANNED WORK PROGRAMS**

### **Salau Mine Area**

The historical Salau deposit remains open at depth, with previous drilling below the base of the existing underground development confirming continuation of the mineralised system.

A database of more than 650 historical drill holes has been digitised by Company geologists and 3D models of the resource have been constructed which have resulted in numerous gold and tungsten targets being identified.

During the quarter, the Company completed a process of ranking and prioritising drill targets for in-mine drilling campaigns. A drilling program was then designed to confirm known zones of mineralisation within the Salau mine area and to test for extensions of these zones.

The drilling program targets both gold and tungsten mineralisation.

Drilling contractors were invited to supply high level quotations for drill programs which has allowed the Company to commence with applications for drilling which will be submitted to the authorities in the coming quarter.

The Company is 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.

Having completed the first phase of health and safety risk assessments, the Company has submitted a proposed program of works to the French authorities for the restoration of mine services including ventilation.

The proposed safety works are required to facilitate the safe access of staff and independent experts for the final phase of health and safety risk assessments, and ultimately for exploration activities to occur.

The Company is working with the authorities to complete the final phase of health and safety risk assessments, which it hopes to complete in the coming months.

### **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.

Several international engineering firms have been engaged to bid for these studies. Once the geotechnical stability of the tailings has been confirmed, the Company will submit work plans to the authorities for approval.

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

A number of regional exploration targets for gold and tungsten have been identified in the broader ground holding at the Couflens Project based on historical and recent field campaigns.



Plans for an extensive airborne geophysical survey over the Couflens Project area were finalised during the quarter and plans have now been submitted to the authorities for approval.

The airborne geophysical survey is intended to refine regional targets and improve the Company's understanding of regional geological structures, particularly focused on gold targets. Following the completion of airborne geophysics programs, the company will finalise its drill targeting and submit regional drill program applications to the authorities for approval.

### **Aurenere Project in Spain**

The application for an Investigation Permit for Aurenere required the submission to the Spanish authorities of a Simplified Environmental Impact Assessment and a Restoration Program. The Company worked with Amphos21, an international environmental consultancy based in Barcelona, to prepare the relevant documentation and the application was submitted at the end of the quarter.

The application includes an application for an initial drill program to test the Aurenere Prospect, an outcrop of approximately 100m<sup>2</sup> of pyrrhotite rich skarn located at the contact between a granodiorite and carbonate-bearing sediments, which was mapped and systematically sampled in late 2017.

## **CORPORATE**

Following completion of the placement in April 2018 to leading European Institutional Investors, Apollo Minerals is in a good financial position with current cash at bank of approximately A\$5.5 million and no debt.

In the coming months, the Company will look to make key appointments to its project management team.

### **Successful Listing of The 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's former subsidiary Constellation Resources Limited ("Constellation"), which holds the Fraser Range nickel-copper and gold assets, has successfully listed via an initial public offering ("IPO") on the ASX on 30 July 2018.

Shareholders of Apollo Minerals with a registered address in Australia and holding at least 12,500 shares as at 10 May 2018 ("Record Date") received a priority entitlement to subscribe for Constellation shares on a 1 for 5 basis.

Constellation has since issued 35 million new shares at an issue price of A\$0.20 each to raise A\$7.0 million (before costs). Subscribers also received one free attaching listed option with an exercise price of A\$0.20 expiring on 31 July 2021 for every three shares subscribed under the IPO.

The separate listing of Constellation allows Apollo Minerals' management to focus on its Couflens and Aurenere projects. The listing also ensures that Constellation has 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 and the capital structure was included in a prospectus lodged with the Australian Securities and Investments Commission and ASX.



## **Appointment of Executive Director**

The Company has strengthened its management team to support the development of the Couflens Project with the appointment Mr Hugo Schumann, an experienced European mining executive, as Executive Director.

Mr Schumann worked with Apollo Minerals on its acquisition of the remaining 20% of the Couflens Project, the acquisition of the Aurenere Project in Spain and the successful A\$6.0 million equity financing for the Company which delivered leading European Institutional Investors onto the register including one of the world's largest mining funds.

Mr Schumann was previously Chief Commercial Officer at Berkeley Energia Limited where he lead the US\$120 million financing of the Salamanca uranium mine with the sovereign wealth fund of Oman at the bottom of the uranium price cycle and managed the company's off-take marketing program.

Mr Schumann holds an MBA from INSEAD in France, is a CFA Charterholder and holds a Bachelor of Business Science (Finance CA) from the University of Cape Town.

## **Change of Company Secretary**

Mr Dylan Browne has been appointed Company Secretary and Chief Financial Officer of the Company following the resignation of Mr Clint McGhie effective today. Mr Browne is a Chartered Accountant and Associate Member of the Governance Institute of Australia (Chartered Secretary) who is currently Company Secretary for a number of ASX and European listed companies that operate in the resources sector. He commenced his career at a large international accounting firm and has since been involved with a number of exploration and development companies operating in the resources sector, based from London and Perth, including Berkeley Energia Limited, Prairie Mining Limited and Papillon Resources Limited. Mr Browne successfully listed Prairie Mining Limited on the Main Board of the London Stock Exchange and the Warsaw Stock Exchange in 2015 and recently oversaw Berkeley's listings on the Main Board LSE and the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges.

The board would like to thank Mr McGhie for his excellent service to the Company in particular his instrumental input into the acquisitions of both the Couflens and Aurenere projects.





## 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.*

## FORWARD LOOKING STATEMENTS

*Statements regarding plans with respect to Apollo Minerals' projects are forward-looking statements. There can be no assurance that the Company's plans for development of its projects will proceed as currently expected. These forward-looking statements are based on the Company's expectations and beliefs concerning future events. Forward looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of the Company, which could cause actual results to differ materially from such statements. The Company makes no undertaking to subsequently update or revise the forward-looking statements made in this announcement, to reflect the circumstances or events after the date of that announcement.*



## Appendix 1: Summary of Mining Tenements

As at 30 June 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
Aurenere Project, Spain	I.P. Alt d'Aneu <sup>(2)</sup>	75%	Application
Fraser Range, Western Australia	E63/1281 <sup>(3)</sup>	70%	Granted
	E63/1282 <sup>(3)</sup>	70%	Granted
	E28/2403 <sup>(3)</sup>	70%	Granted
	E63/1695 <sup>(3)</sup>	70%	Application
	E28/2738 <sup>(3)</sup>	100%	Application
Commonwealth Hill, South Australia	EL5969	100%	Granted
	EL6013	100%	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 which are expected to occur in the September 2018 quarter.
- (2) During the quarter, the Company completed the acquisition of a 75% interest in the Aurenere Project. The Aurenere Project comprises an Investigation Permit (*Permiso de Investigación del "Alt d'Aneu"*) application that covers a 55km<sup>2</sup> area directly adjacent to the Company's Couflens Project.
- (3) Subsequent to the end of the quarter and following the successful IPO of Constellation, Apollo Minerals no longer had any interest in the Fraser Range tenements.

## 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 30 June 2018:
- 10,000,000 Class A Convertible Performance Shares;
  - 10,000,000 Class B Convertible Performance Shares;
  - 10,000,000 Class C Convertible Performance Shares;
  - 15,000,000 Class D Convertible Performance Shares; and
  - 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:
- 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.
  - 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.
  - 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.
  - 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.
  - 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.
  - 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.
  - 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")

30 June 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(790)	(2,651)
(b) development	-	-
(c) production	-	-
(d) staff costs	(293)	(430)
(e) administration and corporate costs	(118)	(500)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	28	65
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	(186)	(331)
- Constellation IPO costs (Note: to be refunded upon listing)	(165)	(231)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,433)</b>	<b>(4,078)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(35)	(39)
(b) tenements (see item 10)	(161)	(361)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
(c) investments	-	-
(d) other non-current assets		
<b>2.2</b> Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	600
<b>2.3</b> Cash flows from loans to other entities	(100)	(116)
<b>2.4</b> Dividends received (see note 3)	-	-
<b>2.5</b> Other (provide details if material)	4	4
<b>2.6</b> <b>Net cash from / (used in) investing activities</b>	<b>(292)</b>	<b>88</b>

<b>3.</b> <b>Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	6,112	6,112
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	(315)	(326)
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>5,797</b>	<b>5,786</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	1,464	3,740
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,433)	(4,078)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(292)	88
4.4 Net cash from / (used in) financing activities (item 3.10 above)	5,797	5,786

## 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 (12 months) \$A'000</b>
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>5,536</b>	<b>5,536</b>

<b>5.</b>	<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	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	168	231
5.2	Call deposits	5,368	1,233
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>5,536</b>	<b>1,464</b>

<b>6.</b>	<b>Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to these parties included in item 1.2	385
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).

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

9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Exploration and evaluation	(750)
9.2 Development	-
9.3 Production	-
9.4 Staff costs	(200)
9.5 Administration and corporate costs	(200)
9.6 Other (provide details if material)	
- Variscan acquisition	(400)
- Refund of Constellation IPO Costs & Loan	330
<b>9.7 Total estimated cash outflows</b>	<b>1,220</b>

10. <b>Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	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	Aurenere Investigation Permit Application	Beneficial interest	Nil	75%

### Compliance statement

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

Sign here: *[lodged electronically without signature]* Date: 31 July 2018  
 .....  
 (Director/Company secretary)

Print name: Dylan Browne.

**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.