

# QUARTERLY REPORT FOR THE PERIOD ENDING 30 JUNE 2017

*Outstanding results from gold and cobalt exploration at Roe Hills; Strong potential to expand gold resource base at Mt York; Successful \$2M capital raising to underpin exploration activities*

## Roe Hills Project (Eastern Gold Fields, WA)

- Significant high-grade primary gold mineralisation intersected in maiden reconnaissance drilling at the newly-identified 'Lingering Kiss' prospect, 350m south of Silver Lake Resources' (ASX: SLR) French Kiss deposit. Significant assays include:
  - RHRC021: 6m @ 3.64 g/t Au from 102m including
    - 3m @ 5.10 g/t Au
  - RHRC022: 2m @ 29.16 g/t Au from 121m including
    - 1m @ 43.34 g/t Au
  - RHRC032: 15m @ 0.43 g/t Au from 87m including
    - 3m @ 1.45 g/t Au
- Significant zone of near-surface cobalt-nickel-manganese mineralisation intersected over a continuous strike of at least 700m in length and up to 150m in width at the ROE-1 prospect, with grades of up to 1.36% cobalt. Follow-up aircore drilling planned for later this year.
- Assays are awaited from the balance of the recently completed ~2,800m gold-focused drilling program at Roe Hills, which tested a number of high-priority gold targets.

## Mt York Gold-Lithium Project (Pilbara, WA)

- Final assay results from maiden gold drilling program confirm potential to expand current 258,000oz gold resource inventory, with reinterpretation of Main Hill-Breccia Hill, Iron Stirrup and Old Faithful deposits highlighting significant near-term resource expansion opportunities.
- Ongoing evaluation of the lithium potential at Mt York has identified a southern strike extension of the rich Pilgangoora LCT pegmatite corridor for 2km to the south of world-class Pilgangoora Lithium Tantalum Project (Pilbara Minerals (ASX: PLS) – 156.3Mt at 1.25% Li<sub>2</sub>O and 128ppm Ta<sub>2</sub>O<sub>5</sub> and Altura Mining (ASX:AJM) – 40.3Mt @ 1.00% Li<sub>2</sub>O).

## Corporate

- Completion of successful Share Placement and Share Purchase Plan, which raised a total of \$1.5M. The funds will be used to underpin future exploration activities across the Company's project portfolio.
- 398km<sup>2</sup> Bronco Plains Project secured 30km east of the Roe Hills Project, expanding Kairos' ground position in the highly prospective Southern Kurnalpi Terrane.

## Summary

The June 2017 Quarter was an exciting period for Kairos Minerals (ASX: KAI – “Kairos” or “the Company”), with ongoing exploration campaigns at both the Roe Hills Project and the Mt York Gold-Lithium Project at in Western Australia (Figure 1) delivering a string of positive results.

At Roe Hills, located near Breaker Resources’ (ASX: BRB) emerging Lake Roe gold discovery, Kairos conducted a detailed targeting program which culminated in a major aircore and RC drilling campaign in May.

The program is designed to evaluate recently identified structural gold targets west of the ROE-1 area, as well as further test four priority gold prospects, namely Terra, Lady of the Lake, Ginger Kiss and Caliburn (formerly Talc Lake).

Results from the program to date have been highly encouraging, with the discovery of significant high-grade primary gold mineralisation at the newly-identified ‘Lingering Kiss’ prospect, 350m south of Silver Lake Resources’ (ASX: SLR) French Kiss deposit which forms a key component of the Aldiss Gold Project development.

The Lingering Kiss discovery demonstrates the significantly under-explored nature of the Roe Hills Project, and the strong potential for new discoveries with widespread regional mineral endowment.

Also at Roe Hills, Kairos completed an initial drilling program to further define the high-grade cobalt mineralisation identified at the ROE-1 prospect in the March Quarter. This drilling has identified a significant zone of near-surface cobalt-nickel-manganese mineralisation over a continuous strike of at least 700m in length and up to 150m in width, with grades of up to 1.36% cobalt. The cobalt and manganese grades reported are exceptionally high compared to most other nickel-cobalt oxide deposits in WA and globally, and a follow-up drilling program is planned for later in 2017 to test extensions of the ROE-1 cobalt prospect along with several other high-priority cobalt prospects identified throughout the Roe Hills Project area.

At Mt York, final assay results from maiden gold drilling program completed in the March Quarter have indicated strong potential to expand the existing 258,000oz gold resource base, with reinterpretation of Main Hill-Breccia Hill, Iron Stirrup and Old Faithful deposits highlighting significant near-term resource expansion opportunities.

In addition, ongoing evaluation of the lithium potential at Mt York has identified a southern strike extension of the rich Pilgangoora LCT pegmatite corridor for 2km to the south of world-class Pilgangoora Lithium Tantalum Projects owned by Pilbara Minerals and Altura Mining.

The results lay the foundations for the next phase of exploration at Mt York, with planned exploration activities to include aircore/RC drill testing of recently identified gold trends and new priority targets.

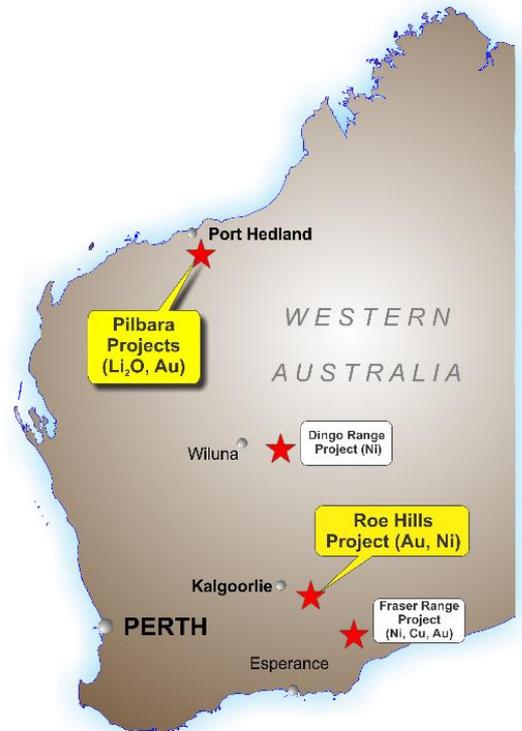


Figure 1: Project Locations

Also during the Quarter, Kairos enhanced its strategic position in the Eastern Goldfields after securing the highly prospective “Bronco Plains” project. The new tenements expand Kairos’ position in the highly prospective Southern Kurnalpi Terrane, with multiple untested gold-in-soil anomalies identified within a favourable structural setting.

To underpin the Company’s ongoing exploration activities, Kairos completed a successful share placement and Share Purchase Plan during the Quarter, which raised a total of \$2 million.

### **ROE HILLS PROJECT, EASTERN GOLDFIELDS (KAIROS: 100%)**

The Roe Hills Project is located 120km east of Kalgoorlie within the Kurnalpi Terrane of the Eastern Goldfields, eastern Yilgarn Craton (EYC) in a rapidly emerging gold province which is currently enjoying a significant level of exploration activity and investor interest.

The Company’s tenure encompasses a dominant land-holding in the area comprising a total of 324km<sup>2</sup> and securing a 40km continuous strike length of the interpreted southern extensions of the highly prospective Leonora-Laverton greenstone belts, host to numerous significant historical and current gold mines in WA.

A major drilling program was undertaken at the Roe Hills Project during the June Quarter, targeting both cobalt and gold mineralisation. Initial results from both programs were announced subsequent to the end of the Quarter, confirming the outstanding prospectivity of the Roe Hills Project area.

### **GOLD EXPLORATION**

Following a detailed targeting program, including Surface Fixed Loop EM (FLEM) surveys, down-hole (DHEM) surveys and soil sampling, Kairos commenced a gold-focused drilling campaign at Roe Hills in May, comprising an initial program of 17 holes of aircore (AC) drilling to evaluate recently identified structural gold targets at two prospects situated west of the ROE-1 area.

The programme then transitioned to a combination of AC and Reverse Circulation (RC) drilling to ensure adequate penetration at depth during further evaluation the Company’s four priority gold prospects, namely Terra, Lady of the Lake, Ginger Kiss and Caliburn (formerly Talc Lake), located some 30km further south toward the southern end of the Project area.

An additional three holes were completed late in the program to provide a preliminary test of the recently identified Lingering Kiss Prospect, which is considered by Kairos’ technical team to represent a potential extension/structural repetition of Silver Lake Resources’ (ASX:SLR) French Kiss Gold Deposit.

Results from the Lingering Kiss program were received subsequent to the end of the reporting period and are outlined below, with assays from the balance of the drilling program currently awaited.

### **Lingering Kiss**

The new prospect, named “Lingering Kiss”, is located just 350m south of the French Kiss Gold Deposit owned by Silver Lake Resources (ASX: SLR), which hosts a published Indicated and Inferred Resource of

1.945 million tonnes grading 1.89g/t Au for 118,490oz. The French Kiss Deposit is a key component of Silver Lake Resources' Aldiss Project, which SLR plans to bring into production.

The "Lingering Kiss" Prospect is a highly ranked structural target identified from detailed airborne magnetic and ground gravity survey data. It is situated proximal to an E-W trending Proterozoic Dolerite Dyke, at the confluence of the interpreted N-S trending French Kiss Shear Zone and a major regionally recognisable NE trending structure now described as the "Crossbow Fault" (refer Figure 2).

The mineralised zone is interpreted to represent an extension or repetition of Silver Lake Resources' French Kiss Gold Deposit.

Three wide-spaced RC holes were drilled along a single traverse to provide a preliminary test of the target area over an east-west section spanning approximately 250m in width (refer Figures 2-3, holes RHRC021, RHRC022 and RHRC032).

Each of Kairos' holes intersected multiple zones of significant gold mineralisation (**up to 43.34 g/t gold in RHRC022**) associated with variable amounts (up to 15% by volume) of disseminated pyrite with lesser pyrrhotite within favourable, highly altered, mafic host lithologies including basalt, dolerite and gabbro.

Of note are a series of vertical historical RAB holes on the same section which failed to identify mineralisation (a peak EOH result of 1m @ 0.1 g/t Au was reported in hole FKR1216 but seemingly not considered worthy of follow-up). These holes either failed to penetrate the cover sequence or were terminated immediately upon tagging basement without providing an adequate test of the underlying rocks.

As a consequence, numerous areas across the Roe Hills Project considered by previous operators to have been "sterilised" by this approach are now being re-evaluated.

The mineralised zone at Lingering Kiss is interpreted to strike NNW-SSE and dip at a moderate to shallow angle towards the east, although west-dipping conjugate structures are potentially associated.

Importantly, the mineralisation remains open in all directions (refer Figure 3).

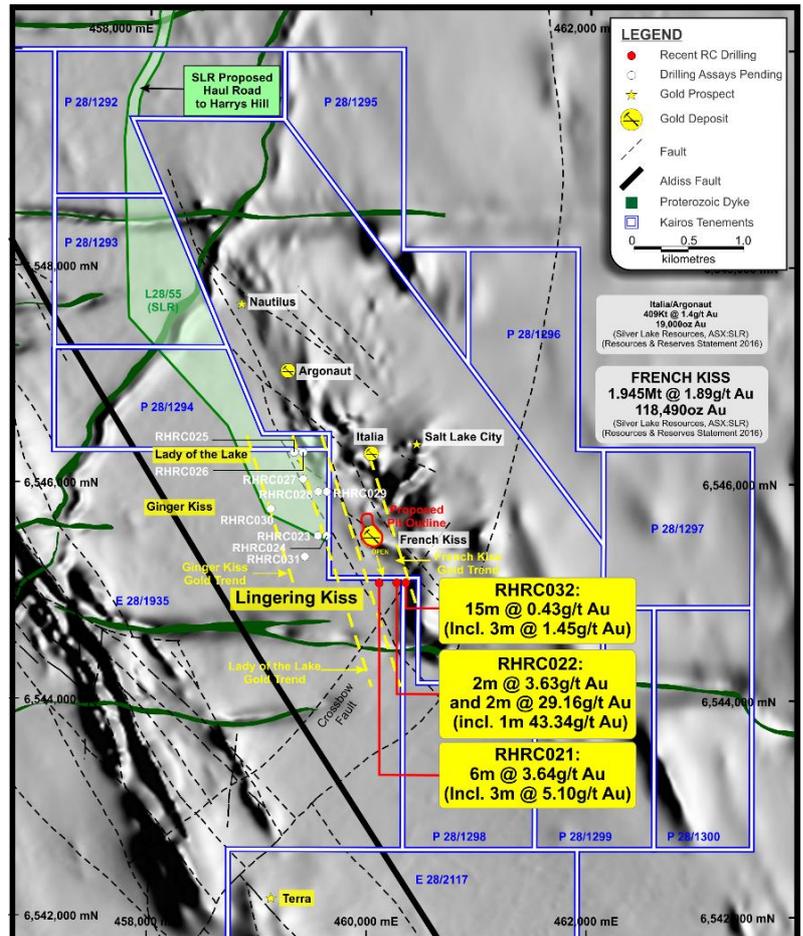


Figure 2. Drilling at Lingering Kiss

Due to visually encouraging indications of potential mineralisation being identified during the course of detailed geological logging, samples from each of the holes were submitted for highest priority analysis and are the first results to be received from the recently completed drilling campaign.

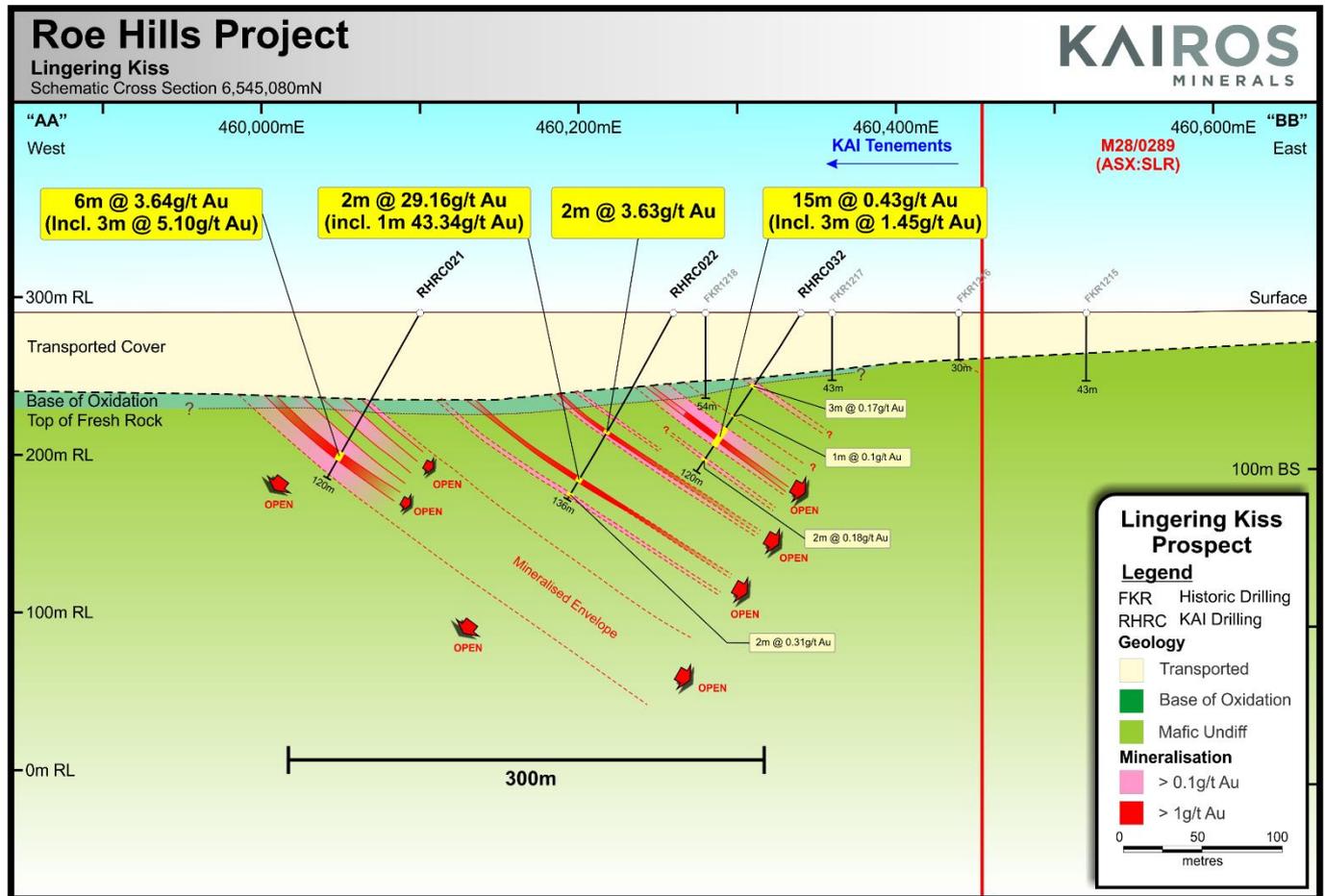


Figure 3. Schematic Cross-Section 6,545,080mN

Kairos’ drilling represents the first effective penetration of the cover sequence in this area and has unequivocally confirmed the Archaean basement rocks to be dominated by highly prospective mafic rock types.

Consequently, the broader prospectivity of this essentially unexplored corridor which encompasses the Keith-Kilkenny-Aldiss Fault, and its associated second-order splays, is considered to be greatly enhanced.

## COBALT EXPLORATION

Aircore drilling has intersected a significant zone of shallow cobalt-nickel-manganese oxide mineralisation at Roe Hills, with exceptionally high grades up to 1.36% Cobalt.

The initial phase of aircore drilling, comprising 59 holes for 1,852m, was designed to evaluate historical indications of near-surface high-grade cobalt mineralisation associated with a thickened sequence of high MgO serpentinised ultramafic rocks at the ROE-1 Prospect. All assays have now been received for this initial phase of cobalt-focused drilling.

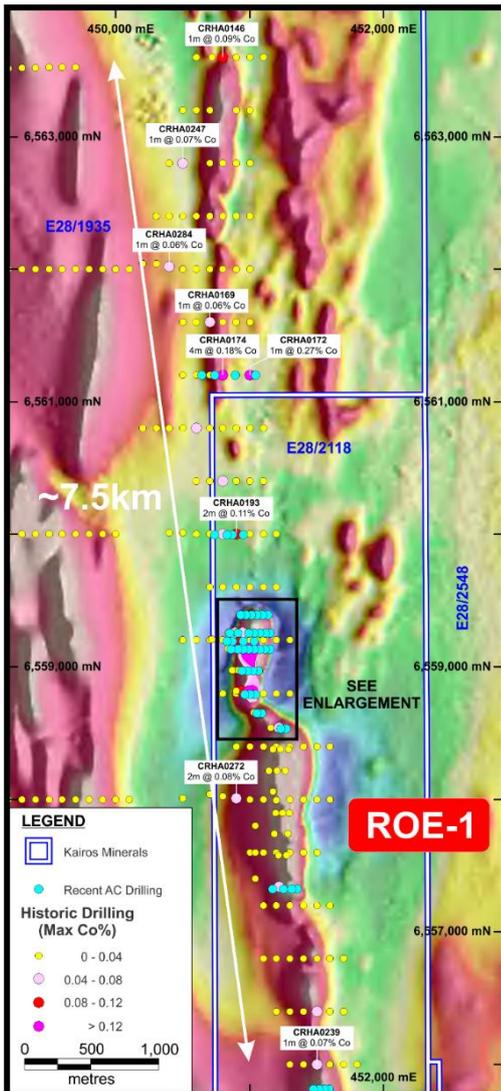


Figure 4. ROE-1, Cobalt Drilling

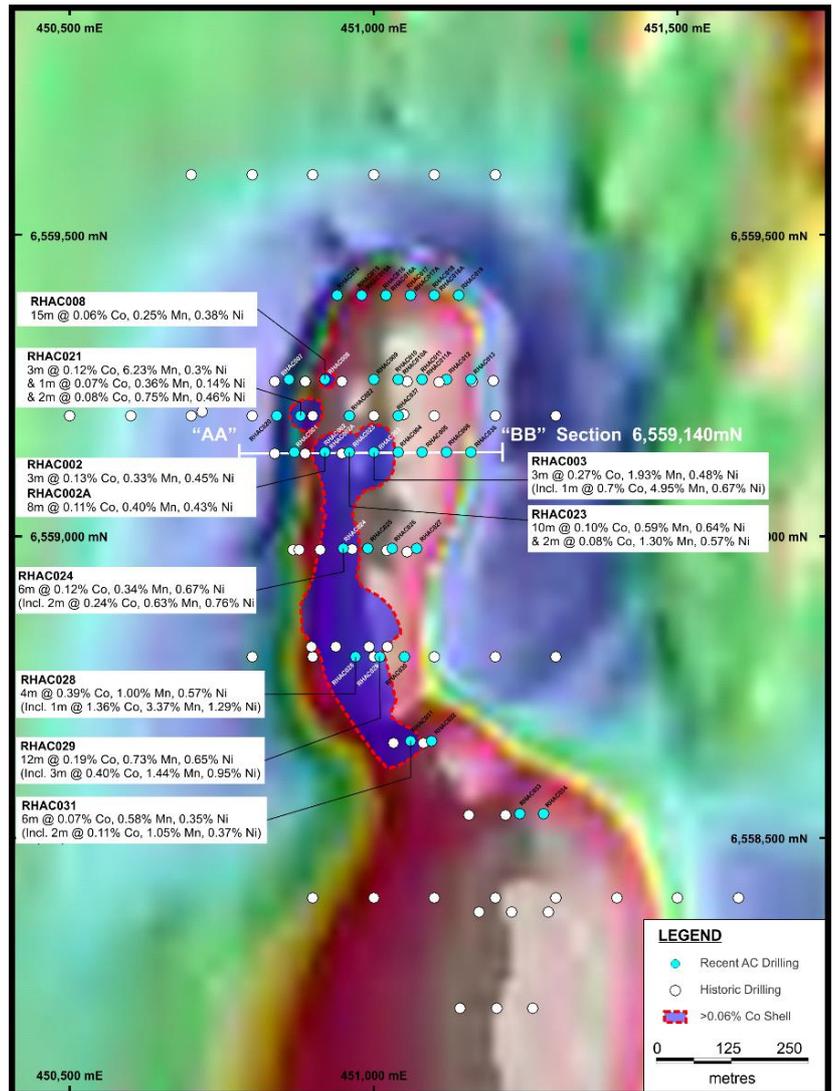


Figure 5. ROE-1, High Grade Cobalt Mineralised Zone

The drilling has outlined a continuous zone of high-grade cobalt-nickel-manganese mineralisation averaging 8m in thickness and 0.15% cobalt (applying a 0.05% cut-off) over a minimum strike length of 700m, a width of up to 150m and extending from just 2m below surface to a maximum drill intersection depth of 43m.

Unlike nickel-cobalt laterite deposits which display a complex geomorphology, the high grade zone at ROE-1 is tabular/sub-horizontal (Refer Figure 6) and sits within saprolite close to the interface with fresh rock (serpentinised olivine adcumulate ultramafic) rather than being “perched” within a broader unconsolidated weathered profile.

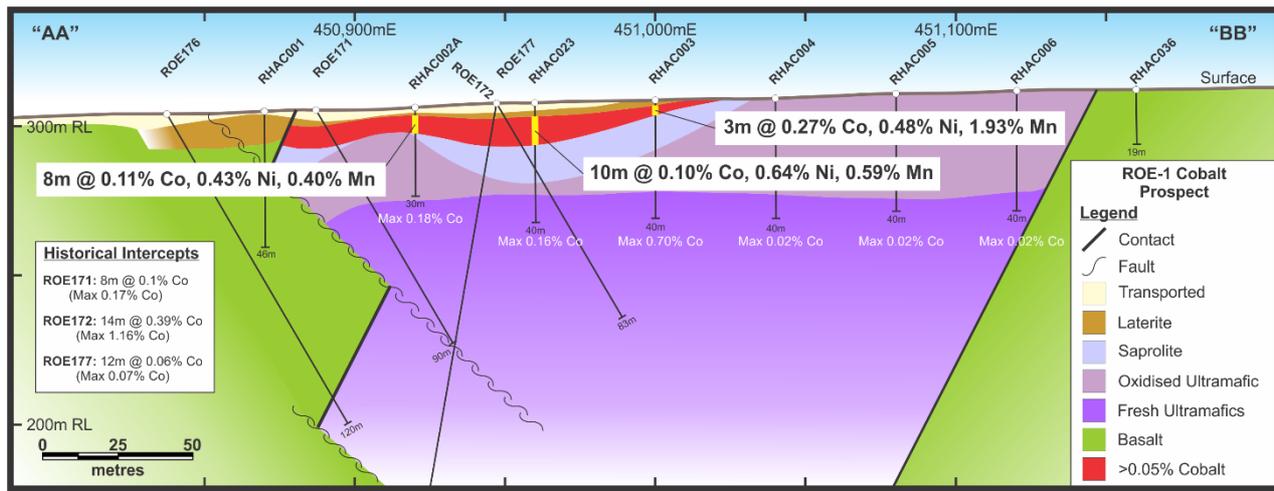


Figure 6. Schematic Cross Section 6,559,140mN

As the vast majority of the holes drilled were vertical, the intersection lengths as reported are equivalent to true widths.

A single traverse of holes drilled almost ~3km's south of ROE-1 confirmed a wide sequence of high MgO ultramafic however the oxide profile at this location appears to be stripped and as a consequence none of the holes completed returned anomalous cobalt results. Additional drilling is required to determine the full extent and location of further potential mineralisation at ROE-1.

In light of the outstanding results received from the cobalt-focused drilling, Kairos intends to undertake a further follow-up program of ~2,000m of aircore drilling to test for extensions to the mineralisation at ROE-1 and to provide a first-pass assessment of several other high-priority cobalt targets identified throughout the Roe Hills Project tenure.

## **MT YORK GOLD-LITHIUM PROJECT, PILBARA REGION (KAIROS: 100%)**

During the Quarter, all final and outstanding analytical results were received from the Company's maiden drilling campaign at Mt York, completed earlier this year.

Results are summarised below, and full details are provided in the Company's ASX Announcement dated 29 May 2017.

## **GOLD EXPLORATION**

### **Old Faithful**

A total of 10 diamond holes were completed at Old Faithful (Indicated and Inferred Resource of 2.069Mt @ 1.37 g/t Au for 90,000oz Au).

The Old Faithful mineralised corridor is an extensive gold-bearing system hosted within sheared mafic and ultra-mafic lithologies, bounded by regionally recognizable chert/BIF sequences. Together with historical drilling, significant near-surface gold mineralisation at Old Faithful has now been drilled over a strike length at least 2km, a width of up to 150m and remains open along strike and at depth (Figure 7).

The results to date indicate the presence of a parallel series of previously unrecognised steeply west-dipping lodges at the Old Faithful deposit, suggesting that the structural setting at Old Faithful is akin to that of the nearby Iron Stirrup deposit, which was successfully exploited via open pit mining methods by Lynas Gold NL during the mid-1990s (refer previous announcements).

A highlight of the program has also been the identification of a previously unknown zone of intense alteration situated immediately adjacent to the eastern chert horizon. At surface, this position is obscured beneath chert scree and, as a consequence, it has never been identified in surface sampling.

In addition a conceptual target zone representing a potential fold repeat of the Old Faithful mineralised corridor has been interpreted immediately east of the deposit which has never been tested. This target will be reviewed and prepared for drill testing as a part of the 2017 campaign.

## Iron Stirrup

Located along the central western margin of the Project tenure, the Iron Stirrup deposit (Indicated and Inferred Resource of 714,000t @ 1.99 g/t Au for 45,000oz) extends over a strike length of 400m, attaining widths of up to 20m and extending from surface to a maximum drilled depth of 250m. Drilling at Iron Stirrup was designed to test for northern, southern and depth extensions to the deposit.

Three holes completed at the northern end of the deposit reported alteration assemblages typically associated with the Iron Stirrup gold system. Sampling of the interpreted position of the “Main Zone” in holes KMYD0011/12 currently remains incomplete due to time constraints & inclement (cyclonic) weather experienced late in the 2016 field season. This will be addressed in coming weeks as a priority once Kairos’ field team returns to site. A previously unrecognized “Footwall Zone” was identified in hole KMYD0011 about 140m stratigraphically beneath the IS Main Zone as summarized below:

- KMYD0011: 0.58m @ 28.0 g/t gold from 299.72m

Although narrow at this location, the identification of high grade gold mineralisation well into the footwall at Iron Stirrup highlights the additional opportunity for further discoveries and resource expansion. Extensions to this mineralisation will be evaluated in future drilling at Iron Stirrup.

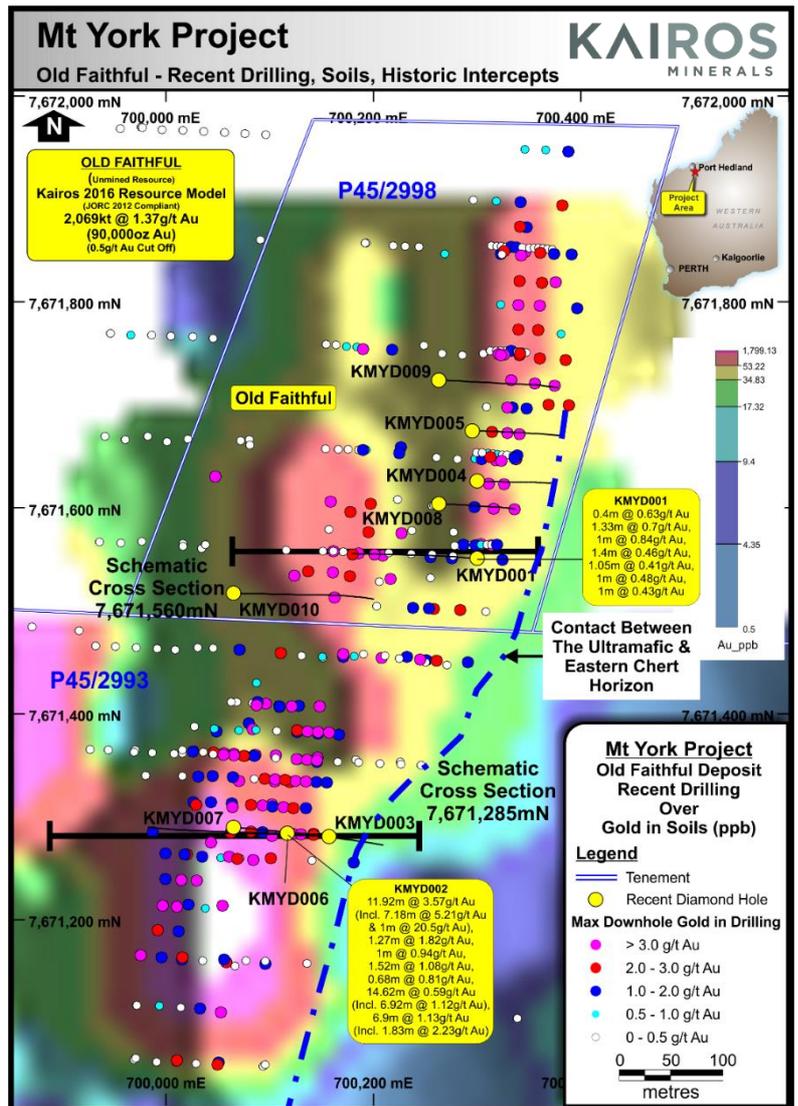


Figure 7. Old Faithful – drilling over gold in soils

Drill testing of the southern and depth extensions was not completed during the 2016 campaign due to time constraints. These remain as high priority drill ready targets for the 2017 field season.

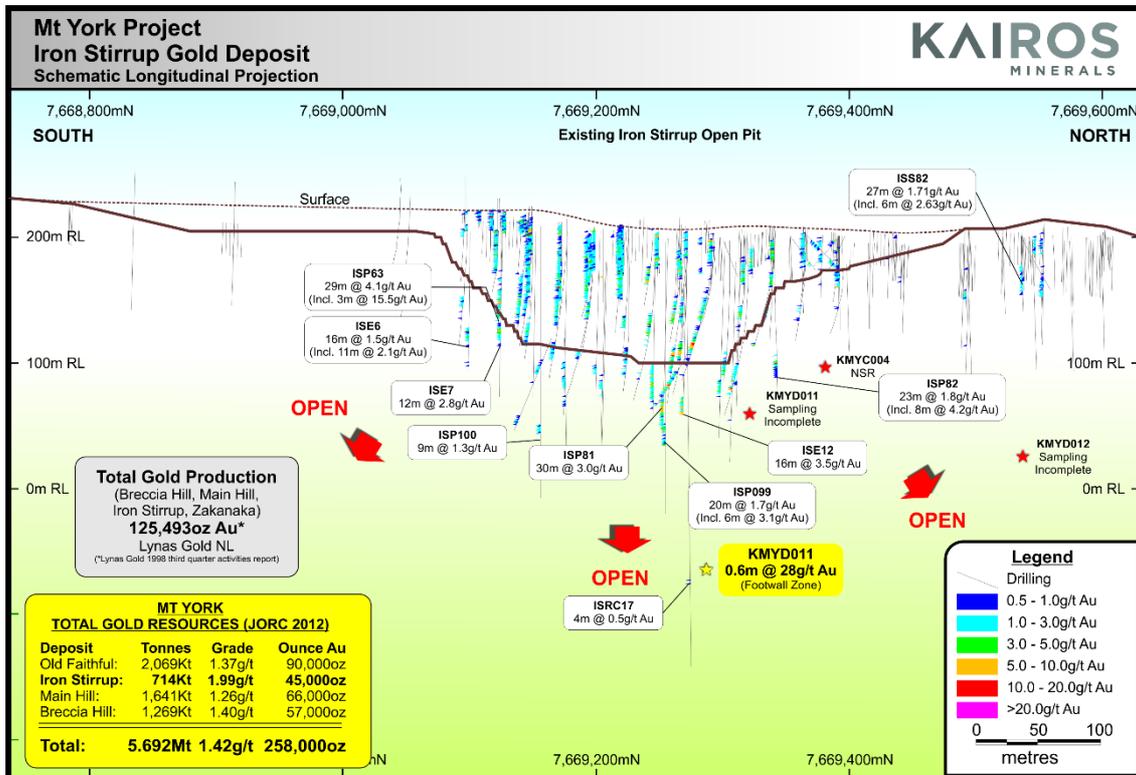


Figure 8. Schematic Longitudinal Projection of the Iron Stirrup Deposit.

## Main Hill and Breccia Hill

The Main Hill and Breccia Hill deposits (Indicated and Inferred Mineral Resources - Main Hill: 1.641Mt @ 1.26g/t Au for 66,000oz Au; Breccia Hill: 1.269Mt @ 1.40g/t Au for 57,000oz Au) define a zone of BIF-hosted gold mineralization traceable over a strike length of at least 1.5km and extending from surface to a maximum drilled depth of 250m. The deposits were partially mined by Lynas Gold NL as a series of shallow open pits to a maximum depth of about 30m in conjunction with the Iron Stirrup mining operation during the mid-1990s.

The deposits remain open along strike to the north and south and at depth. A central “hinge zone” defined by a marked flexure in the mineralised horizon separates the two deposits. This “gap” remained untested and unmined due to a weakened surface expression and a perception by previous operators that the position was barren.

The Hinge Zone represents a data shadow of some 400m in strike which Kairos’ technical team identified as a key structural target with the potential to rapidly expand the current resource, significantly improve future pit expansion/optimization opportunities and to host conceptual underground opportunities.

Late in the 2016 field season, Kairos completed three diamond drill-holes for a total of 762.5m in order to provide an initial test of the Hinge Zone target at depths of between 100m and 200m below surface.

The holes confirmed the presence of both a thickening of the host BIF sequence (>100m thickness) and the presence of a stacked series of gold mineralised lodes well beyond the limits of the known deposits, confirming that the mineralised BIF sequence is significantly larger than was previously recognized.

Importantly, the up-dip position of the footwall lodes remains untested immediately adjacent to (north of) the existing open pits and represents a high priority near-surface target for drill testing during the 2017 field season.

The results of this drilling support Kairos' view that the Main Hill and Breccia Hill deposits are part of a much larger, more extensive mineralised system than was previously recognized and that the two are connected.

In addition, two historical drill holes (GRC2440, GRC2686) located approximately 1km along strike to the east of the Breccia Hill pit have both reported significant gold intersections highlighting the exploration potential within close proximity to the existing resources (refer to Figure 9):

- **GRC2440: 24m @ 1.1g/t Au**
- **GRC2686: 14m @ 2.38g/t Au**

Refer to ASX announcement dated 19<sup>th</sup> December 2016 "Further Strong Results from Mt York"

Figure 5 shows the location of the completed drill-holes in relation to the Main Hill and Breccia Hill open pits.

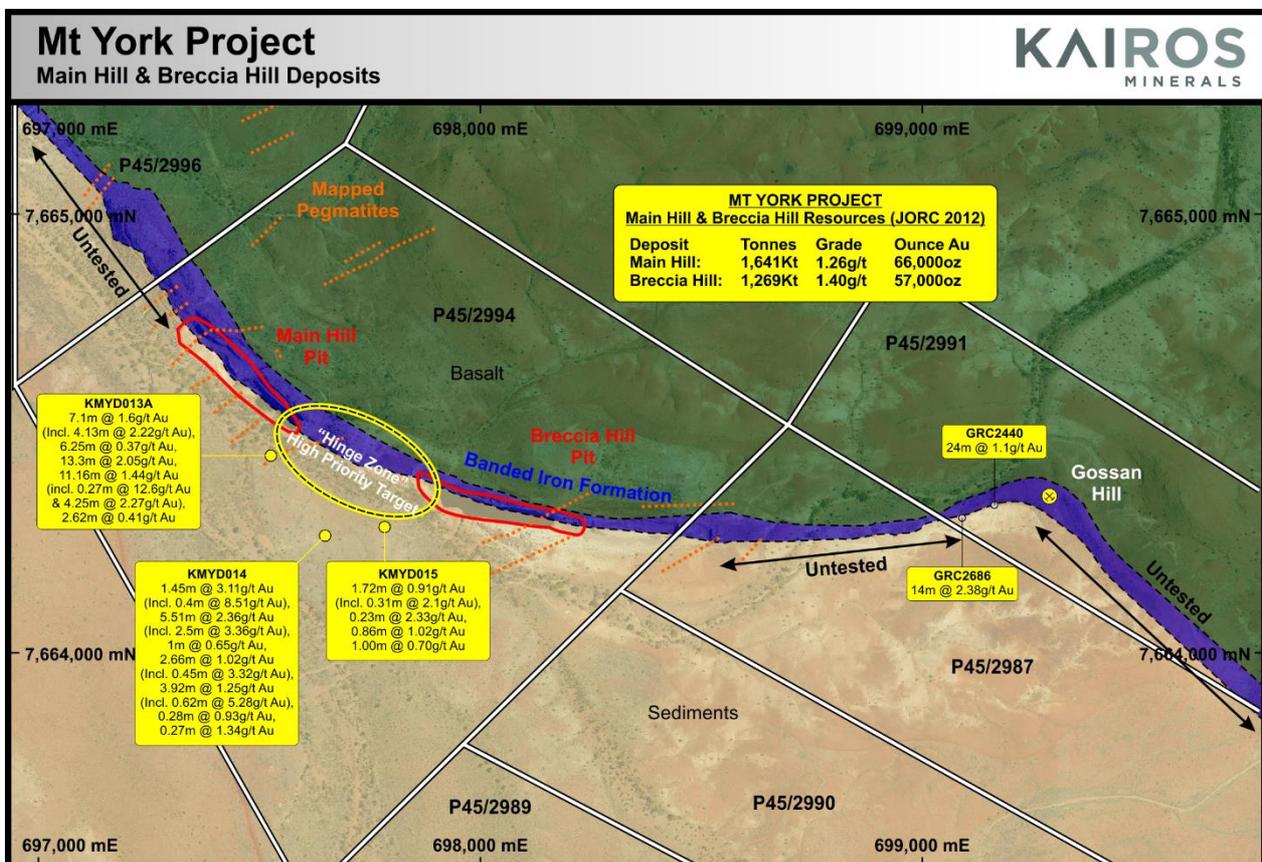


Figure 9. Main Hill – Breccia Hill – Gossan Hill Prospects: recent drilling.

## **New Prospects**

### ***Golden Spur Trend (includes Anomaly MY014)***

The Golden Spur Trend defines a zone of gold-in-soil anomalism along with elevated pathfinder elements up to 150m wide extending over 0.3km at the 0.1g/t Au contour. The zone of anomalism remains open to the south.

Three RC holes were completed for a total of 270m as a first pass evaluation of the southern portion of the anomaly. Preliminary assays show encouraging, consistently elevated gold values in holes KMYC001 and KMYC002.

### ***Camelback Trend (includes Anomaly MY012)***

The Camelback Trend defines a zone of gold-in-soil anomalism along with elevated pathfinder elements up to 100m wide extending over at least 1.5km at the 0.1g/t Au contour.

Three RC holes (KMYC010-12) were completed for 288m as a first-pass evaluation of the southwestern portion of the anomaly showing peak values in excess of 0.5g/t Au.

### ***Gilt Dragon Trend (includes Gloucester)***

Positioned within a major dilational structural flexure 4km east of the Main Hill – Breccia Hill deposits, the Gilt Dragon Prospect defines a strong area of gold-in-soil anomalism with elevated pathfinder elements up to 300m wide extending over at least 1 km at the 0.1g/t Au contour with peak values in excess of 0.5g/t Au.

Four RC holes (KMYC005-008) were completed for 480m along two traverses to provide a preliminary test of several peak soil samples. Two of the holes were also designed to test for depth extensions to gold anomalism identified in several shallow regional historical holes which were recently unearthed in project archives and subsequently located during field mapping. Each of the holes reported significant intervals of strong alteration with associated disseminated sulphide mineralization including pyrite, pyrrhotite and arsenopyrite, an assemblage typically associated with the known gold-bearing lodes at the Main Hill and Breccia Hill deposits.

### ***Golden Gully Trend (includes Anomaly UN01)***

The Golden Gully Trend is situated 2.5km along strike to the east of the Main Hill–Breccia Hill deposits and is interpreted to represent the eastern extension of the BIF sequence which hosts those deposits. It is defined by gold-in-soil anomalism with associated elevated pathfinder elements up to 100m wide and extending over at least 300m at the 0.1g/t Au contour with peak values in excess of 0.5g/t gold.

One RC hole (KMYC009) was completed for 111m to provide an initial test beneath a peak soil value at the southern end of the anomalous trend.

## LITHIUM EXPLORATION

### Mt York

Evaluation of the LCT "Lithium" Pegmatite potential of the Mt. York Project during the Quarter included geophysical surveys (radiometrics and magnetics), historical database review, field mapping, rock chip sampling of outcropping pegmatites and detailed soil geochemical surveys to test for the presence of buried pegmatite occurrences.

An extensive LCT pegmatite multi-element pathfinder geochemical soil anomaly was outlined over a strike length of 2km, NNW of the Main Hill Deposit, while strong lithium and tantalum values were returned from rock chips immediately north of the Breccia Hill Deposit – all of which occur within the southern extension of the Pilgangoora LCT Pegmatite Corridor.

Significant rock chip results included:

- 2.22% Li<sub>2</sub>O (fresh rock waste dump boulders, source considered proximal)
- 0.44% Ta<sub>2</sub>O<sub>5</sub> (mapped pegmatite outcrop)

### Regional Activities

Kairos retains a significant lithium exploration portfolio covering ~1,158.7km<sup>2</sup> in the East Pilbara region. This includes the highly prospective Wodgina East Project, which was secured under the terms of a JV agreement with Altura in January 2017 as a strategic addition to Altura's Pilgangoora Lithium Project. The \$100,000 initial payment has been received and the Company looks forward to further activities progressing under the terms of the joint venture.

Maiden exploration programs of Kairos' regional projects are scheduled to commence as a part of the 2017 field season.

## CORPORATE

### Capital Raising

During the Quarter, Kairos raised \$1,000,000 through the issue of 47.619 million new fully paid ordinary shares at \$0.021 (2.1 cents) per share to sophisticated and institutional investors.

In addition, the Company also provided eligible shareholders with the opportunity to participate in a Share Purchase Plan ("SPP") at the same price of 2.1 cents per share to raise \$1,000,000. Under the SPP, eligible shareholders could apply for up to \$15,000 parcels of shares (714,286 shares).

The SPP closed on 9 May 2017, with applications totalling \$545,100 received from 116 shareholders. The Company appreciates the support of its shareholders.

The SPP was fully underwritten by Patersons Securities, with Patersons and CPS Securities Limited acting as Joint Lead Manager to the Placement and SPP.

The funds raised by the Placement and the SPP will be applied primarily to further exploration works at the Company's Roe Hills Gold Project where early stage results indicate potential for a large-scale gold

system along a largely untested strike length of circa 40kms. Funds will also be used to advance the Mt York gold project, along with working capital purposes.

## New “Bronco Plains Project” tenements secured

Kairos significantly enhanced its strategic position in the Eastern Goldfields during the Quarter, after securing the Bronco Plains Project, located 30km east of Roe Hills within the Southern Kurnalpi Terrane (See Figure 10).

Bronco Plains was identified by Kairos’ technical team as part of the Company’s ongoing regional evaluation. The Project consists of three Exploration Licenses totalling an area of 389km<sup>2</sup>, E28/2648, E28/2646, E28/2647 are currently under application.

Originally part of AngloGold’s East Tropicana portfolio, Bronco Plains has multiple strong gold-in-soil anomalies within a favourable structural setting located towards the eastern margin of the Southern Kurnalpi Terrane and remains underexplored.

Kairos immediately commenced soil geochemical surveys, with the results to be used in combination with a full technical review of historical data to refine priority drill targets.

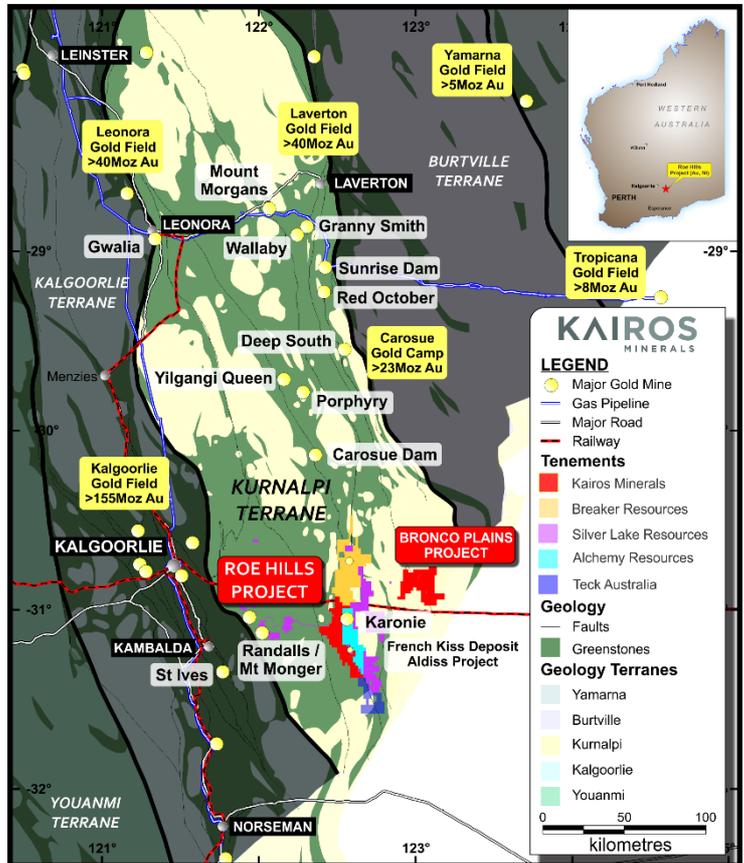


Figure 10. Bronco Plains Location – Kurnalpi Terrane

ENDS

**For further information, please contact:**

**Investors:**

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**COMPETENT PERSON STATEMENT:**

*Competent Person: The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled and reviewed by Mr Steve Vallance, who is the Technical Manager for Kairos Minerals Ltd and who is a Member of The Australian Institute of Geoscientists. The information was also reviewed by Mr Neil Hutchison, who is a Non Exec Director of Kairos Minerals Ltd and is also a Member of The Australian Institute of Geoscientists. Both Mr Vallance and Mr Hutchison have sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity which they are 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 JORC Code 2012). Mr Vallance and Mr Hutchison have consented to the inclusion in the report of the matters based on their information in the form and context in which it appears. The Australian Securities Exchange has not reviewed and does not accept responsibility for the accuracy or adequacy of this release.*

## 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

Kairos Minerals Limited (ASX:KAI)

### ABN

84 006 189 331

### Quarter ended ("current quarter")

30<sup>th</sup> June 2017

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	(796)	(4,173)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(370)	(1,677)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	3
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)	3	12
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,163)</b>	<b>(5,835)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(9)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 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	-	-
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</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>(9)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	1,758	6,506
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	(157)	(583)
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>1,601</b>	<b>5,923</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	987	1,346
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,163)	(5,835)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(9)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,601	5,923
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>1,425</b>	<b>1,425</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	1,425	987
5.2 Call deposits	-	-
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>1,425</b>	<b>987</b>

*\* Further to the announcement on 17 July 2017, the Company confirms it has received the R&D rebate of \$808,203.20.*

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	97
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	
-	

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	
-	

## 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.		

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<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	450
9.2 Development	-
9.3 Production	-
9.4 Staff costs	-
9.5 Administration and corporate costs	300
9.6 Other (provide details if material)	-
<b>9.7 Total estimated cash outflows</b>	<b>750</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				

**Refer to Annexure A.**

**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: .....  
**Managing Director**

Date: **28 July 2017**

Print name: **Joshua Wellisch**

**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.

**Annexure A – Tenement Schedule**

Project Tenements	Location	Held at the start of the quarter	Acquired during the quarter	Disposed during the quarter	Held at the end of the quarter
<b>Roe Hills</b>	WA	100%			100%
E28/1935					
E28/2117					
E28/2118					
E28/2495					
E28/2548					
E28/2585					
P28/1292					
P28/1293					
P28/1294					
P28/1295					
P28/1296					
P28/1297					
P28/1298					
P28/1299					
P28/1300					
E28/2593					
E28/2594					
E28/2698	WA	0%	100%		
E28/2699					
E28/2700					
<b>Fraser Range Project</b>					
E69/3411	WA	100%			100%
E69/3308					
<b>Dingo Range</b>					
E53/1731	WA	100%			100%
E53/1732					
E53/1733					
P53/1624					
E53/1814					
E53/1927					
E53/1928					
<b>Pilbara Lithium-Gold Project (Mt York Project)</b>					
P45/2987	WA	100%			100%
P45/2989					
P45/2996					
P45/2998					
P45/2988					

+ See chapter 19 for defined terms

Project Tenements	Location	Held at the start of the quarter	Acquired during the quarter	Disposed during the quarter	Held at the end of the quarter
P45/2992	WA	100%			100%
P45/2993					
P45/2994					
P45/2990					
P45/2991					
P45/2997					
P45/2995					
L45/0422					
<b>Wodjina Project</b>					
E45/4715	WA	100%		JV Altura	100%
E45/4780				JV Altura	
E45/4740					
E45/4731					
<b>Southern Pride Project</b>					
E47/3522	WA	100%			100%
E47/3523					
<b>Croyden Project</b>					
E47/3519	WA	100%			100%
E47/3520					
E47/3521					
<b>Lalla Rookh Project</b>					
E45/4741	WA	100%			100%
<b>Tiapan Project</b>					
E45/4806	WA	100%			100%
<b>Woodcutters Project</b>					
E28/2646	WA	100%			100%
E28/2647					
E28/2648					
<b>Mooloo Project</b>					
E08/2857	WA	100%			100%