ACTIVITIES REPORT SEPTEMBER QUARTER 2016

Karlawinda Scoping Study completion, DFS & exploration underway

HIGHLIGHTS

- **Scoping Study on development of Bibra completed**
- **60,000m DFS drilling and Exploration programme commenced**
- **Bibra development project continues to be de-risked**
- **Exploration outside of Bibra showing significant potential for additional gold resources**
- **Capricorn takes 100% ownership of Karlawinda Project**

KARLAWINDA GOLD PROJECT

Following the acquisition of Greenmount Resources in February 2016, Capricorn took control of the Karlawinda Gold Project, and immediately embarked on a strategy to fast-track its development, with the key elements of this program including a maiden in-fill and extensional resource drilling program, upgrade of the Bibra Mineral Resource estimate, and completion of a Scoping Study.

The Karlawinda Gold Project, is located in the Pilbara 65km south-east of Newman, W.A., within the Archaean aged Sylvania Dome Inlier (Figure 1). Karlawinda is an advanced gold project which includes the Bibra deposit and numerous outstanding exploration targets including the Francopan prospect.

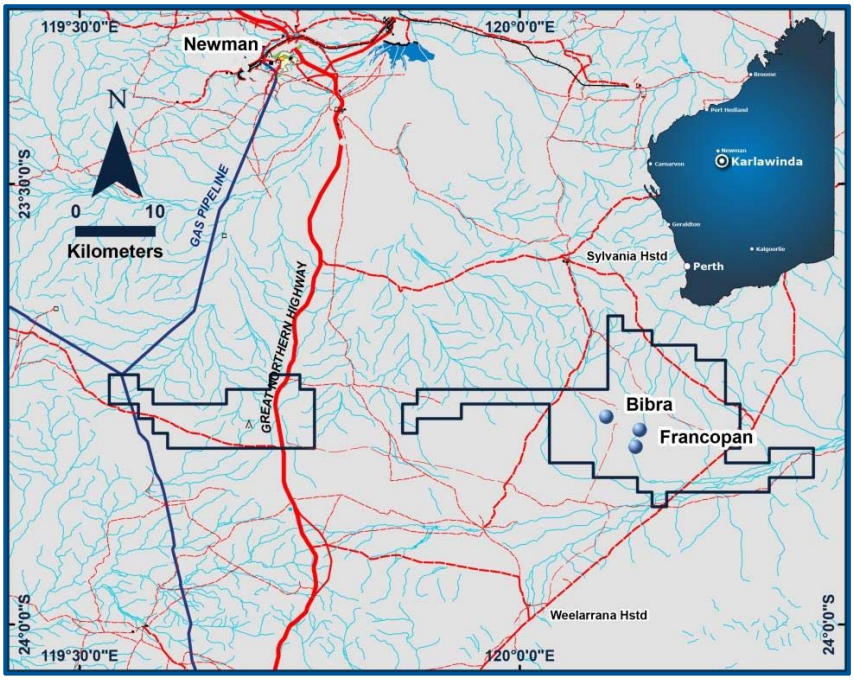

Figure 1: Location Map: Karlawinda Gold Project

ASX ANNOUNCMENT

25 October 2016

Australian Securities Exchange Code: CMM

ABN: 84 121 700 105

Issued Capital:

Shares 486.9M
Options 17.3M
Share Price A$0.12
Market Cap. A$58.4M

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BIBRA RESOURCE

As announced to the ASX on 4th July 2016, the Resource Estimate for Bibra is shown in Table 1 below:

TABLE (1): Bibra Gold JORC Open Pit Inferred Resource Estimate *(as at June 30, 2016)*			
Domain	**Tonnes**	**Grade (g/t Au)**	**Ounces**
Laterite	2,100,000	1.3	85,000
Saprolite	4,300,000	1.0	142,000
Transition	1,500,000	1.2	58,000
Fresh	17,600,000	1.1	629,000
Total	**25,500,000**	**1.1**	**914,000**

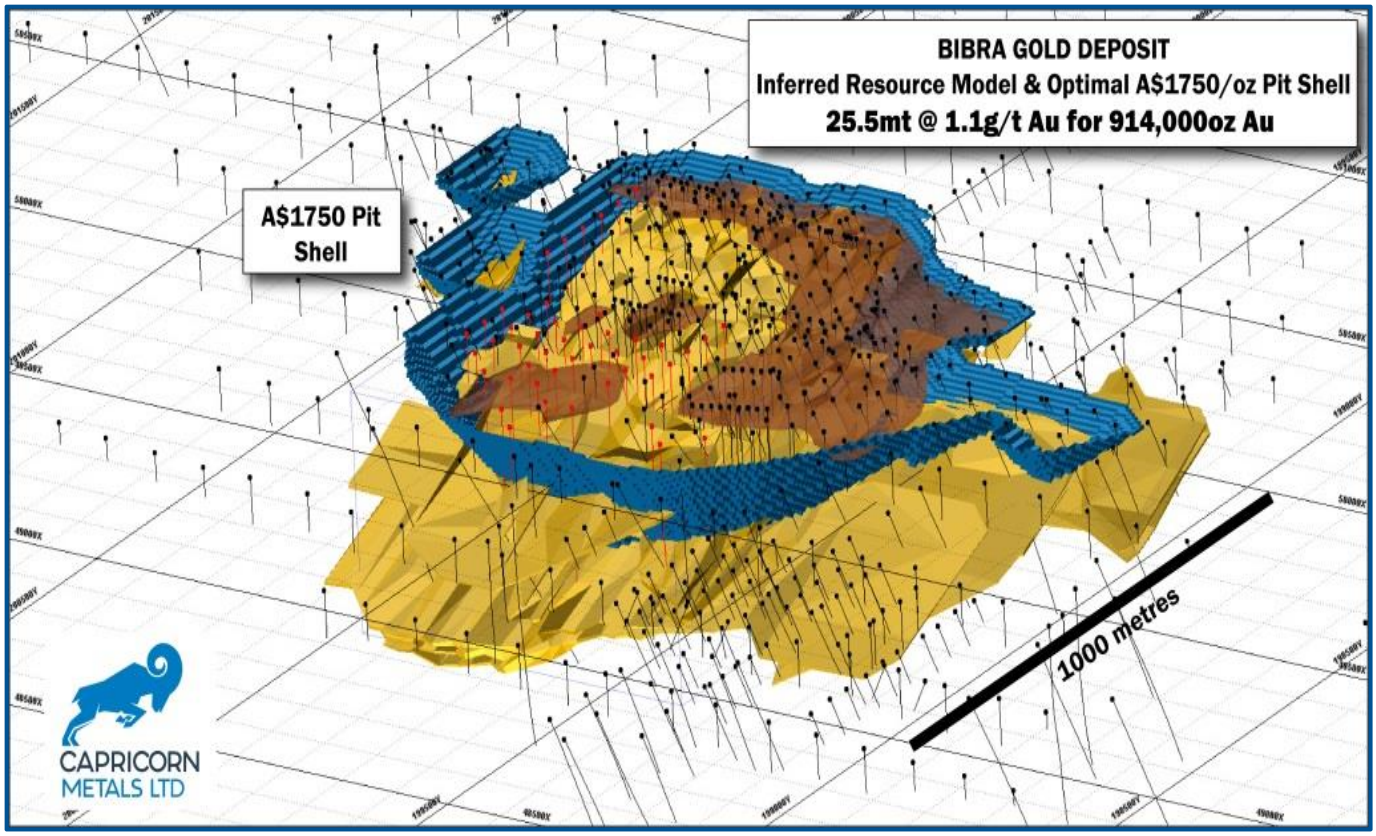

Figure 2: Bibra Gold Deposit – Resource Block Model
(Blue: $A1750 optimal pit shell, Brown: Laterite resource, Yellow: Saprolite and Fresh resource)

Figure 2 (above) shows the Bibra deposit wireframe in yellow, with the Optimised open pit shape in blue; the reported resource is that contained only within the blue optimised open pit.

Figure 3 (below) shows a graph of the Tonnage and Contained Ounces with Depth, within the reported Inferred Resource at Bibra. Tonnes and ounces peak at 5-15m below surface in the Laterite zone, where Ounces Per Vertical Metre ("OVM") peak at 9,000.

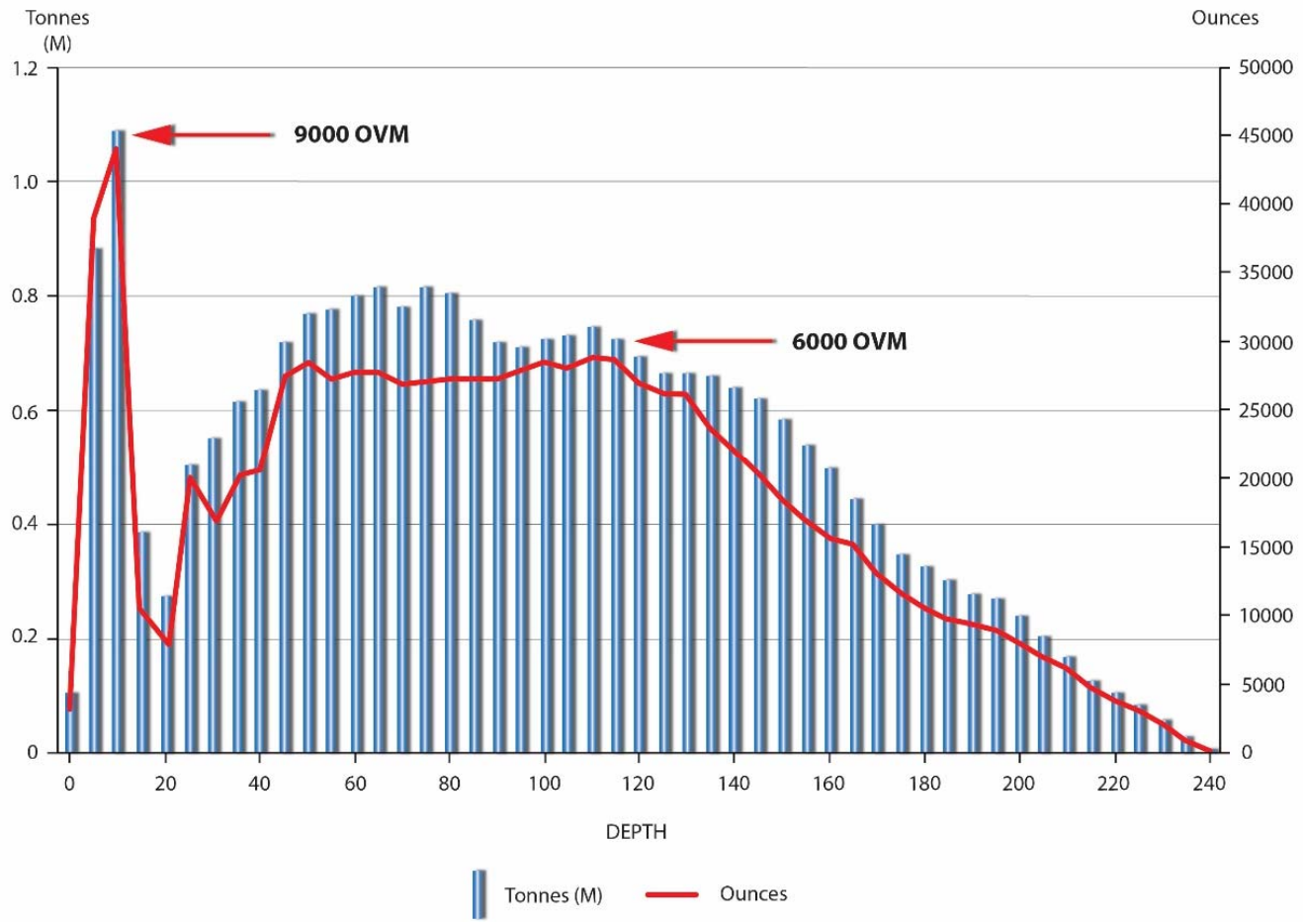

Figure 3: Bibra Tonnes & Ounces by Depth Below Surface, within Optimised open pit Resource. (OVM = ounces per vertical metre)

BIBRA SCOPING STUDY FINDINGS

The Bibra Scoping Study was completed at the end of July and reported in an ASX announcement on 29th July 2016. The Company envisages an open pit development with a 3 million tonne per year CIL (carbon-in-leach) process plant, and the following findings were reported:

Mining and Geotechnical

Mining optimisation and potential pit design studies have been undertaken by Cube Consulting and some of their findings include:

- The deposit appears to have suitable geometry and overburden distribution which should allow for conventional open pit mining techniques.
- It is anticipated that a contract mining fleet would be used to develop the project should a mining operation proceed.
- Drill and blast rates were derived from comparable operations, with the percentage of material blasted determined as follows:
    - Oxide material 40% blasted; Transition and Fresh 100% blasted.

A two-staged open pit plan is recommended, with Stage 1 pit to a depth of 130m (blue shape in Fig 4 below) followed by Stage 2 to a depth of 240m (grey shape in Fig 4 below). The conversion of Inferred resources into these designed pits was 88%, this conversion rate being assisted by the design of ramps down the footwall of the deposit, rather than circling around the edge of the pit designs.

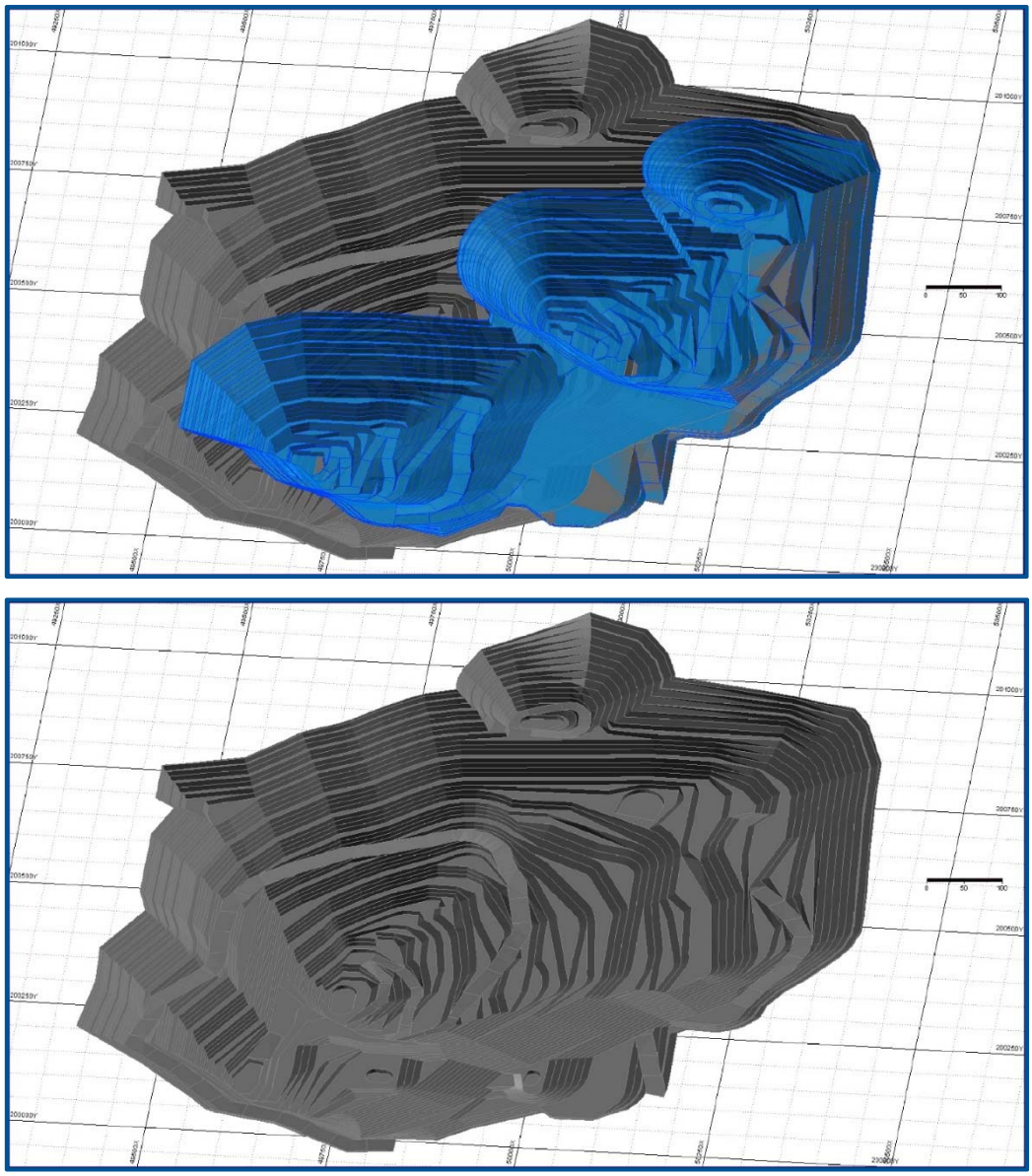

Figure 4: Bibra Open Pit designs by Cube Consulting (Stage 1: blue, Stage 2: grey)

Geotechnical parameters as determined by Independent Consultants Peter O'Bryan & Associates were applied, as follows:

- Pit slope design parameters were defined based on the analysis of data from 11 critical diamond drill holes (representing 25% of the total number of diamond holes).
- Further geotechnical drilling will be undertaken during the DFS to confirm the previously established parameters.
- Recommended slope design parameters based on detailed evaluation are:
    - Footwall – overall slope angle 25°, (pit crest to toe)
    - Hangingwall – overall slope angle 47°, (pit crest to toe)
- The likely footwall of the pit will follow the natural dip of the orebody at an overall slope angle of 25°.

Metallurgy / Process Plant

Considerable metallurgical testwork has been undertaken on Bibra diamond core and RC drill samples from 2010 to 2013, and that data was reviewed in detail for the Scoping Study.

The following conclusions were drawn from those metallurgical testwork programs:

- The Bibra deposit hosts mineralisation which is free milling and ranges in competency and hardness from medium-soft in the oxidised zones to very competent and moderately hard in the unweathered fresh mineralisation;
- It includes some coarser gravity-recoverable gold;
- The application of gravity gold extraction prior to cyanide leaching results in enhanced leach kinetics and would be expected to reduce leach residence times from around 48 hours to 28-32 hours; and
- Cyanide consumptions are low across all lithologies.

Comminution Modelling

Comminution modelling was undertaken to determine the optimum milling circuit configuration, optimum particle grind size, and plant energy requirements.

The grindability of the mineralisation ranges from medium to hard for the oxide and fresh rock, and very hard for the supergene. Testwork indicates that the lower saprolite is a very soft material while the supergene is moderately soft. The fresh rock is highly competent and displays a high resistance to impact breakage. Mineralisation has low to medium abrasion characteristics with the fresh rock being more abrasive than the oxide material.

The grind optimisation study indicates a grind size of 106µm for the fresh ore and 125µm for oxide ore. These are relatively coarse grinds, which require less time and energy than a finer grind outcome.

An optimum comminution circuit was determined to be a single-stage crushing (jaw crusher) followed by Semi-Autogenous ('SAG') mill and gravity gold recovery circuit.

Gravity and Cyanide Leach Extraction

The following findings were made from analysis of gravity and cyanide leaching testwork undertaken by SGS Lakefield Oretest PL:

- Gravity recoverable gold component of approximately 34% in fresh rock, and for the supergene and oxide, approximately 20%;
- Including the gravity-recovered gold, the overall gold recovery is estimated to be 91%-93%;
- Without a gravity circuit, leaching kinetics of the Bibra mineralisation require 48 hours of leaching time, however this should be significantly improved to around 30-35 hours by extracting the gravity gold prior to cyanide leaching;
- Despite the high clay content of the oxide mineralisation, rheology testwork indicated a low viscosity for this material, which assists in the CIL leaching throughput rates;
- Cyanide consumption ranged from 0.07 kg/t to 0.28 kg/t for the different mineralisation types during testwork, and there was an absence of copper and other deleterious elements; and
- Lime consumption is high (as normally expected) for the supergene and oxide samples, ranging from 2.6 kg lime per ore tonne for the upper saprolite, to 6.4 kg/t for the lower saprolite. By comparison the fresh ore has a low lime consumption, typical of fresh ores, of 0.63 kg/t.

Significant further metallurgical testwork is planned for the DFS, to ensure that all areas of the Bibra resource are represented, which requires the collection of around 1,500kg of diamond drillcore. That core has now all been acquired and analysis has commenced.

Process Plant Options

Mintrex PL, which has designed and built several CIL gold plants in Australia and elsewhere, has provided various design options for a Bibra processing plant, incorporating conventional crushing, grinding, gravity and cyanide leaching circuits.

Various size scenarios were considered, of 2.5 and 3.0 million tonne/year capacity.

There is presently a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will enable the Company to announce a production target in respect of the deposit or that the deposit would support a plant of 2.5 or 3.0 million tonne/year capacity.

Infrastructure

There is no existing infrastructure at Karlawinda other than exploration tracks, a water bore, water tanks and sample storage yard. The project has access to existing infrastructure at Capricorn and Newman, located 55km to the north-west. Newman airport is serviced by major regional airlines on a daily basis.

The town of Newman has the ability to support proximal mining operations, including extensive iron ore mining activity in the region. It is assumed that, should the Bibra project be developed, the workforce could be accommodated in one of several existing camps in the Newman area.

The DFS will examine the requirement of establishing an improved, all-weather access road to Newman from the Bibra site. This would be achieved by upgrading existing station tracks within existing Company tenure and would considerably reduce travel times.

Process water

Process water is intended to be sourced from groundwater close to the Bibra deposit. Groundwater is present from shallow depths in most drill-holes in the Bibra area – in some cases in large quantities – and analysis of groundwater at Bibra has confirmed it as fresh and potable.

Borefield targets have been identified immediately south and west of Bibra and will be subject to drilling and pump testing in the early stages of the DFS.

Tailings dam

A paddock-style tailings dam would be required to contain all of the processed materials. The high evaporation/rainfall ratio for the Newman area should enhance the capacity of this tailings dam.

Environmental

The landscape at the Bibra Project, is largely flat and is typified by colluvial soils, spinifex grass and acacia/mulga scrub, and is relatively benign from an environmental aspect.

A Level 1 flora, vegetation and fauna study of the site was undertaken in 2010 by 360 Environmental ("360"). That survey found no species of particular concern for the project. Further to this the Company engaged 360 to undertake a Level 2, Flora and Vegetation survey in May 2016 over the Bibra project area. That survey recorded no Threatened or Declared Rare Flora during the survey.

Two Priority flora species as listed by Department of Parks and Wildlife (DPaW) were recorded during the survey. None of the vegetation types recorded are considered to represent a State or Federal Threatened Ecological Community or Priority Ecological Community.

Capricorn also commissioned 360 to undertake a desktop review of fauna to update the 2010 survey. No subterranean fauna have been reported from within the Bibra deposit area, however the DFS will include a pilot study for stygofauna, troglofauna and short-range endemic ("SRE") fauna within and adjacent to any proposed open pit.

Permitting

A Mining Lease Application, M52/1070 was submitted over the Bibra Project in April 2016, and has been recommended for grant, subject to completion of the Native Title process. Discussions with the single registered Native Title claimant group, the Nyiyaparli People, in this regard have commenced and have to date been positive.

The Company has engaged with various regulators including Department of Water, Department of Parks and Wildlife, Office of Environmental Protection Authority and has briefed these agencies on the nature and scope of the project, it's environmental context, and provided details of the outcomes of surveys and studies conducted to date.

MAJOR DRILLING PROGRAMME AT BIBRA AND NEAR-BIBRA TARGETS

A significant program of up to 60,000m of in-fill drilling to upgrade the resource to Indicated status to underpin a Definitive Feasibility Study (DFS) commenced at Karlawinda at the end of July, with up to 4 rigs on site (one Diamond and 3 RC rigs). This program also targets potential extensions of the deposit as outlined in ASX release on 25th July 2016.

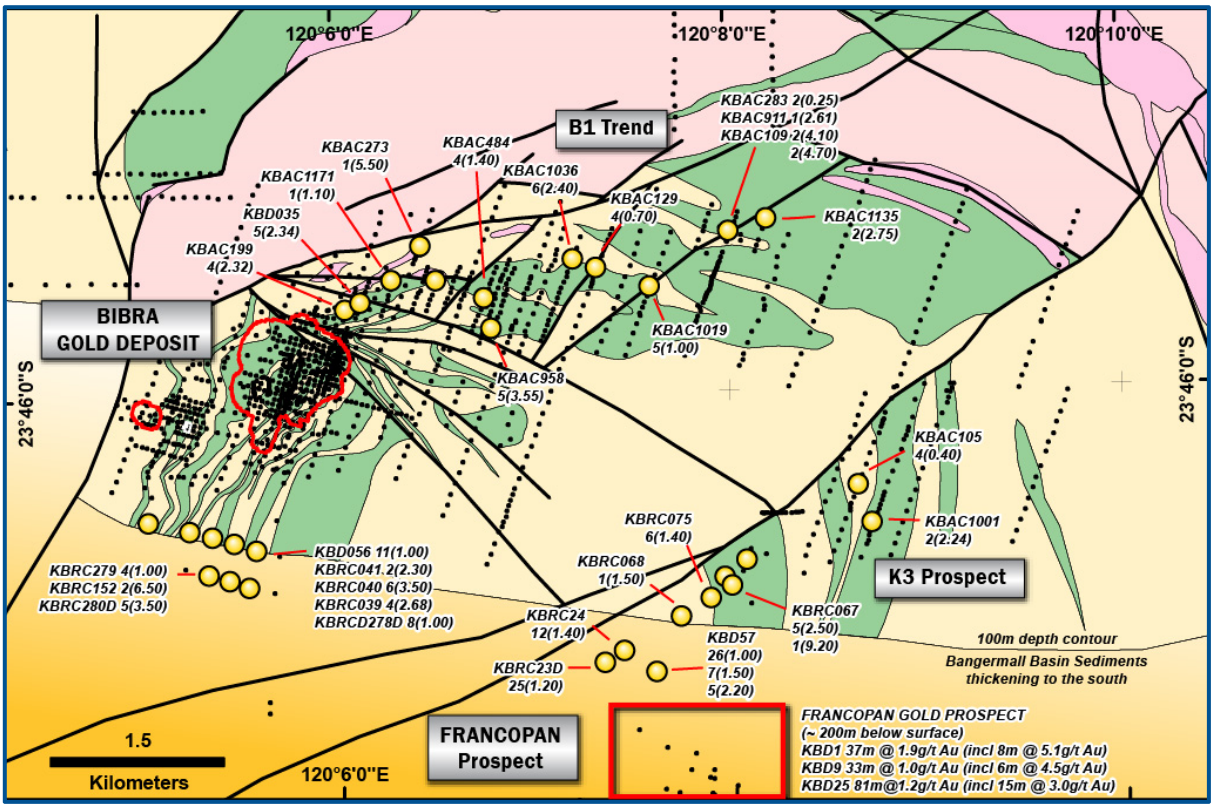

Figure 5: Project Geology and gold targets, Karlawinda

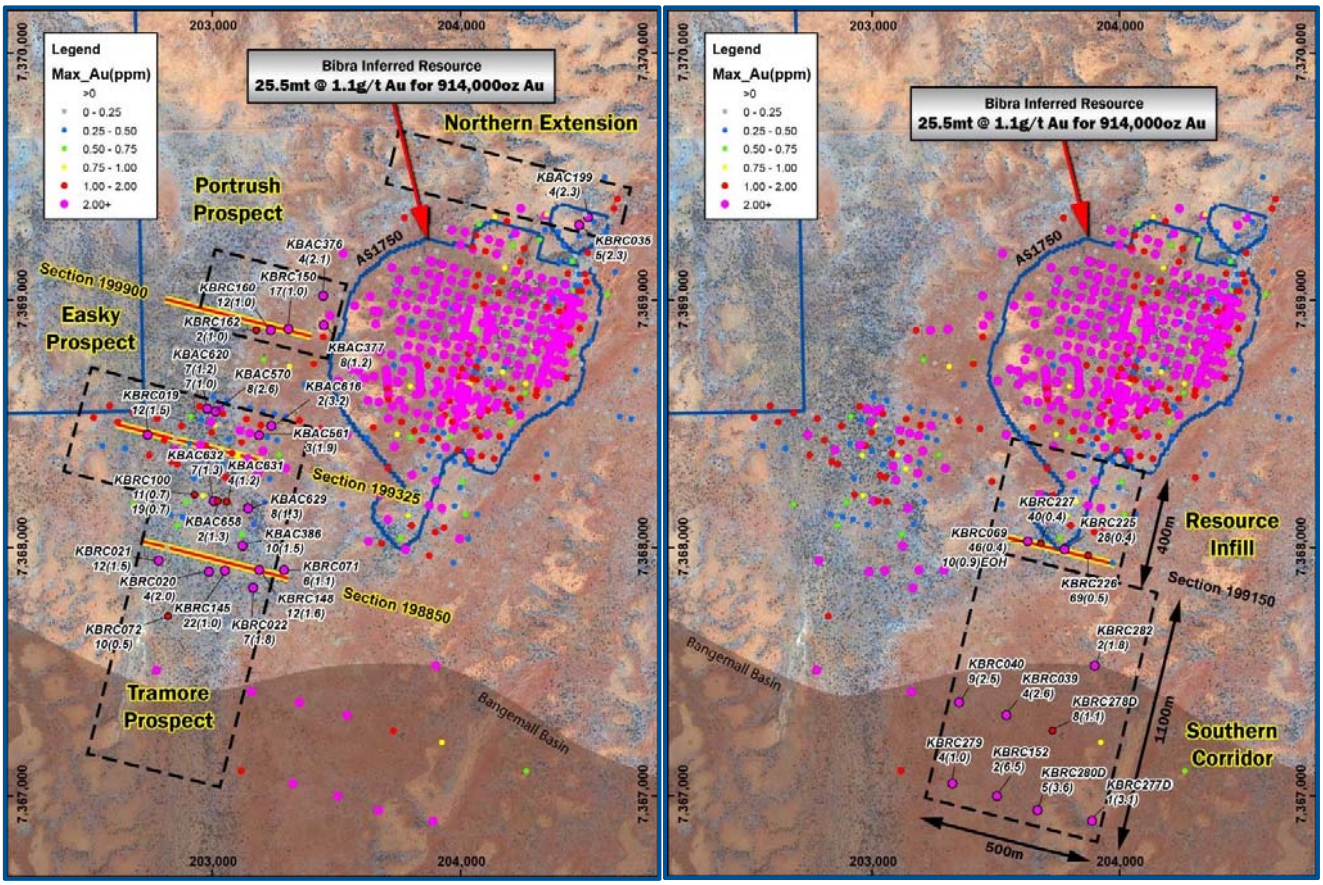

Figure 6: Karlawinda Gold Targets outside Bibra

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Drilling during the Quarter achieved the following statistics:

- Diamond Drilling: 35 holes for 3,500 metres
- RC Drilling: 260 holes for 29,300 metres

The bulk of planned drilling is infill drilling of the Bibra deposit to elevate the resource estimate to Measured and Indicated status. That drilling progressed rapidly during the Quarter, and results from it are expected to be reported in batches as elements of the programme are completed.

From outside Bibra, Exploration Drilling Results were reported from the Portrush prospect *(ASX announcement 28th September 2016)*, and, subsequent to the Quarter, from the Southern Corridor Prospect *(ASX announcement 20th October 2016)* including the following:

Portrush

First-pass RC drilling to test the Portrush Prospect has confirmed the potential for this target to develop into a significant zone of shallow gold mineralization immediately west of the Bibra Gold Deposit, with results including:

- **KBRC366 11 metres @ 1.00g/t Au from 57m**
- **KBCR367 7 metres @ 1.40g/t Au from 71m**
- **KBAC377 8 metres @ 1.15g/t Au from 28m**
- **KBRC150 17 metres @ 1.00g/t Au from 67m**
- **KBRC160 12 metres @ 1.02g/t Au from 94m**

While still to be fully defined, the new zone of mineralization is interpreted to occur in flat-lying stacked lodes within 150m of the surface. The mineralization is interpreted to dip to the west, has a potential strike extent of 150-200m and remains open in the down-dip position. Follow up RC drilling is planned for the December Quarter.

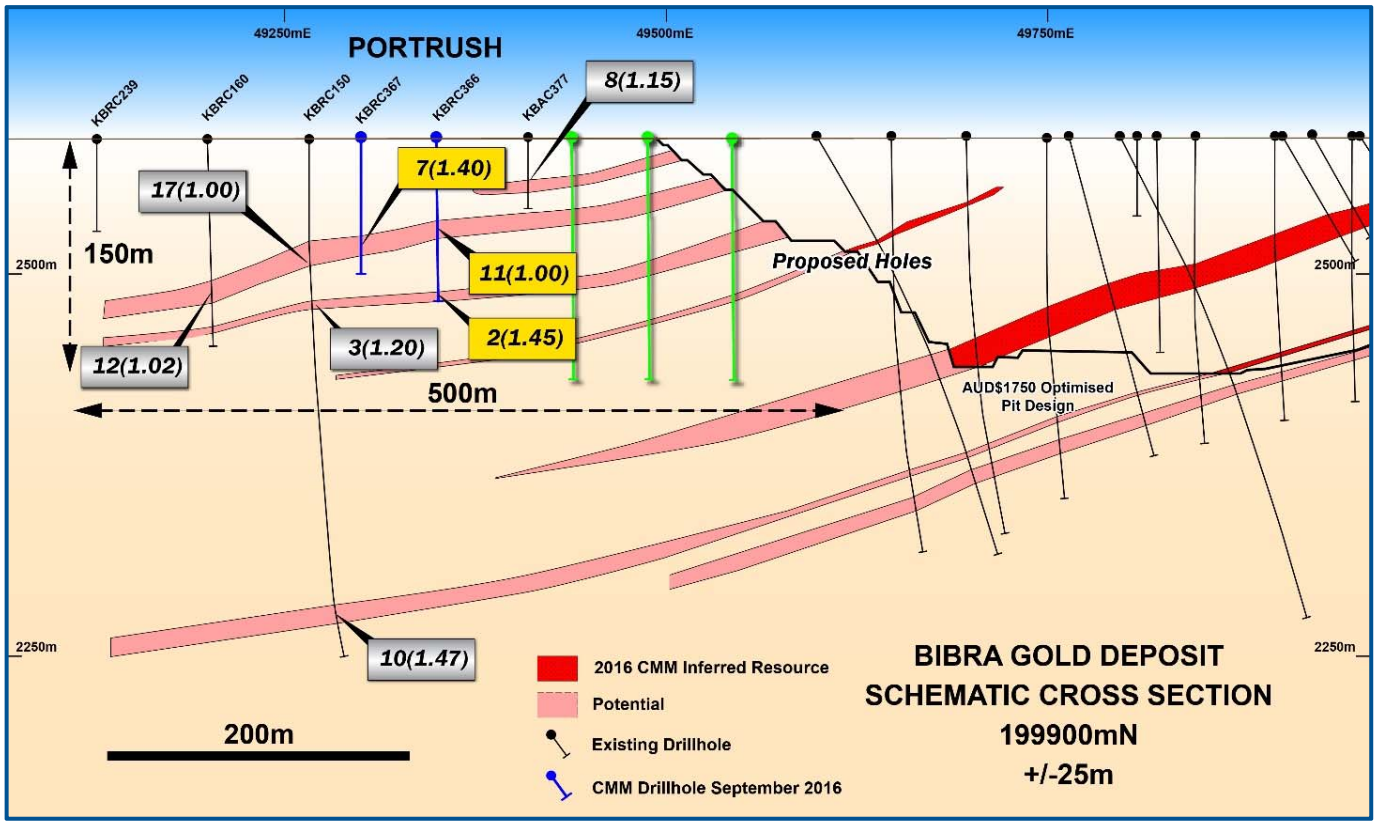

Figure 7: Portrush Prospect Drilling Results (Section 199900mN)

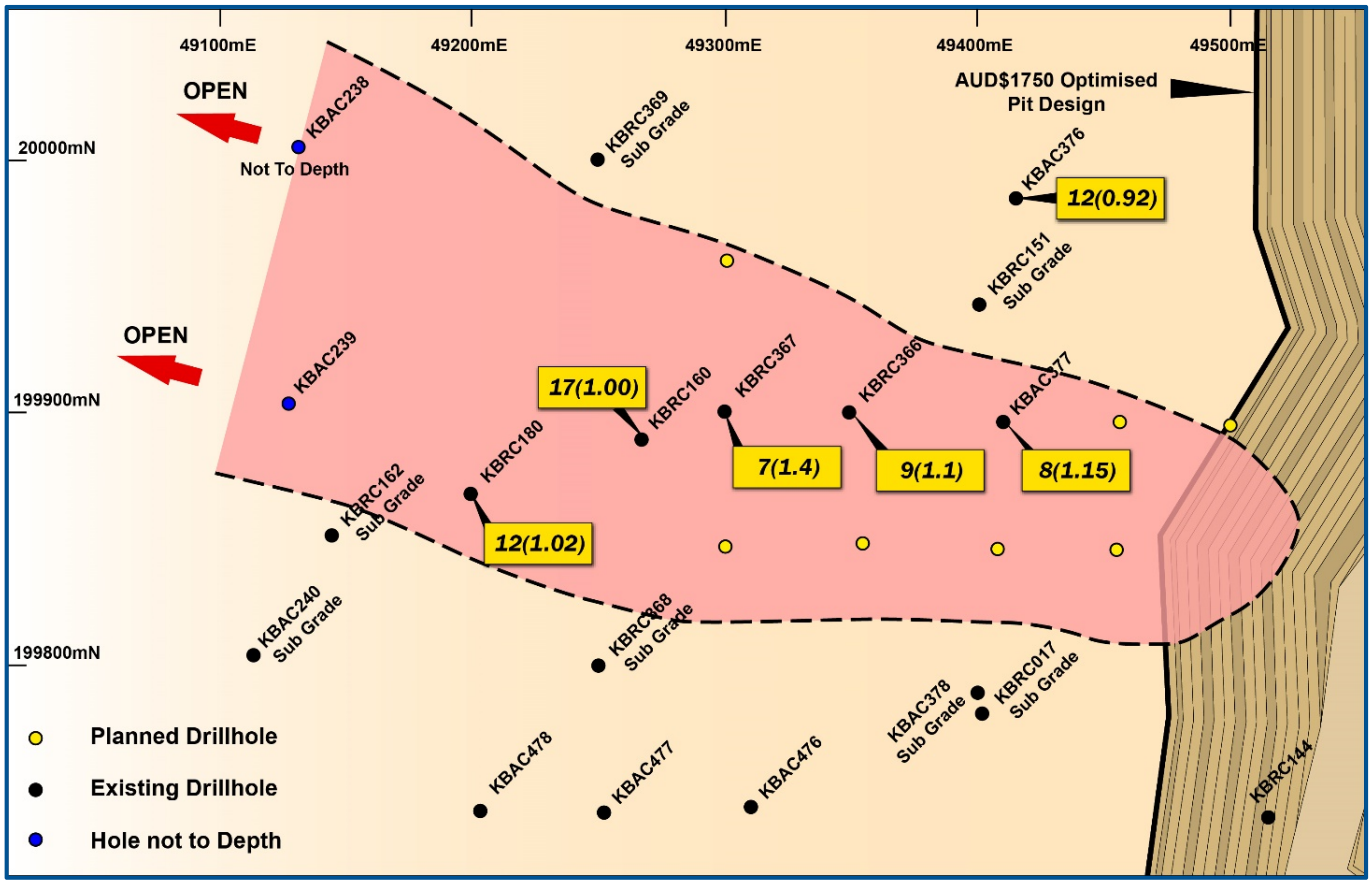

Figure 8: Portrush Prospect Drilling Results (Plan)

Southern Corridor

RC drilling at Southern Corridor, located 400m south of the Bibra deposit, has intersected a broad anomalous zone of gold mineralization up to 100m down-hole, with zones of higher grade mineralization hosted in discrete shear zones, including:

- **KBRC430 12 metres @ 1.37g/t Au from 117m; within**

  (100 metres 0.47g/t Au)

- **KBRC431 8 metres @ 1.42g/t Au from 80m; within**

  (54 metres 0.69g/t Au)

The drilling is wide-spaced with the intersections approximately 140m apart. The mineralization extends to within 20m of the surface and has been defined down-dip for 250m (Figure 3). The mineralization remains open, and follow-up RC drilling is planned for the December quarter.

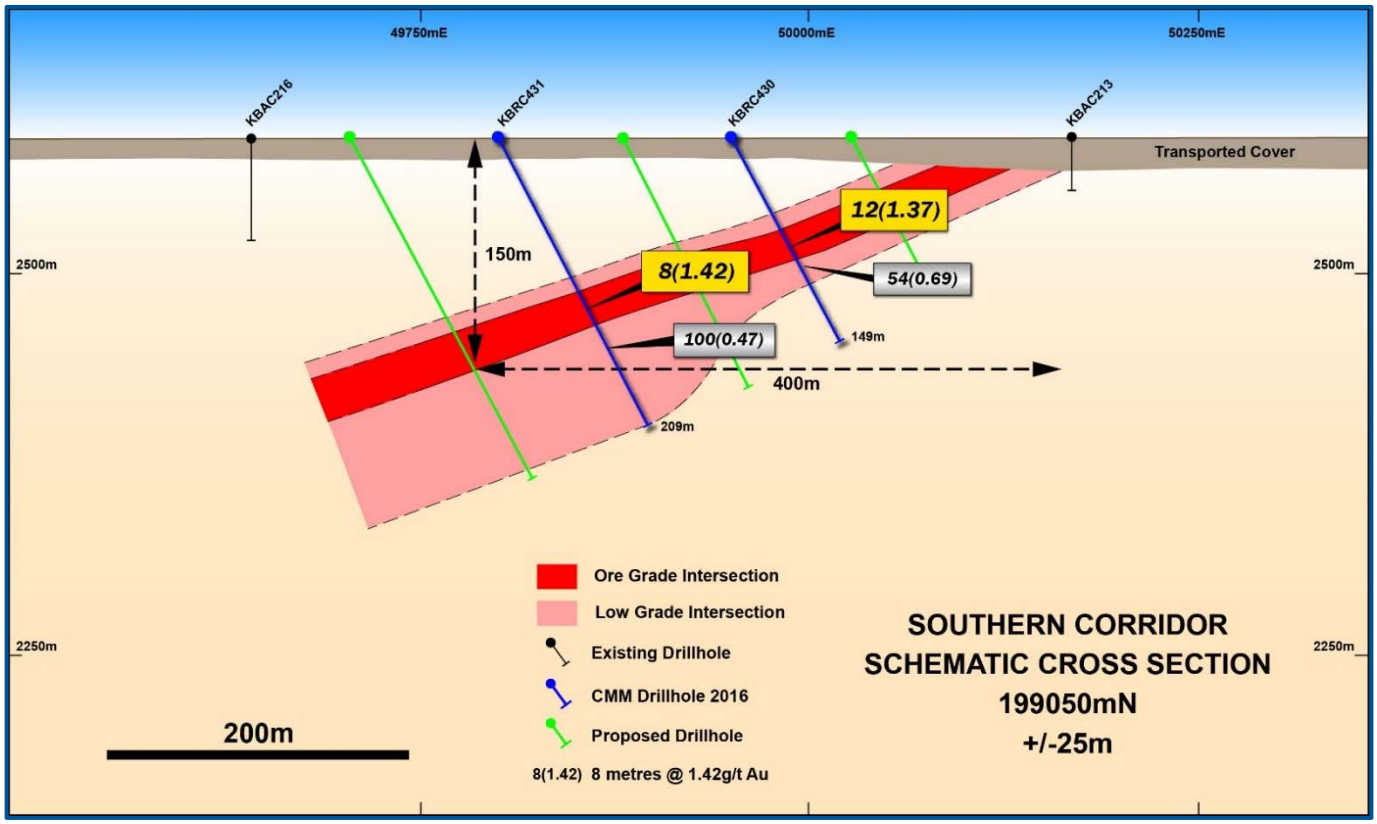

Figure 9: Southern Corridor Drilling Results (Section 199900mN)

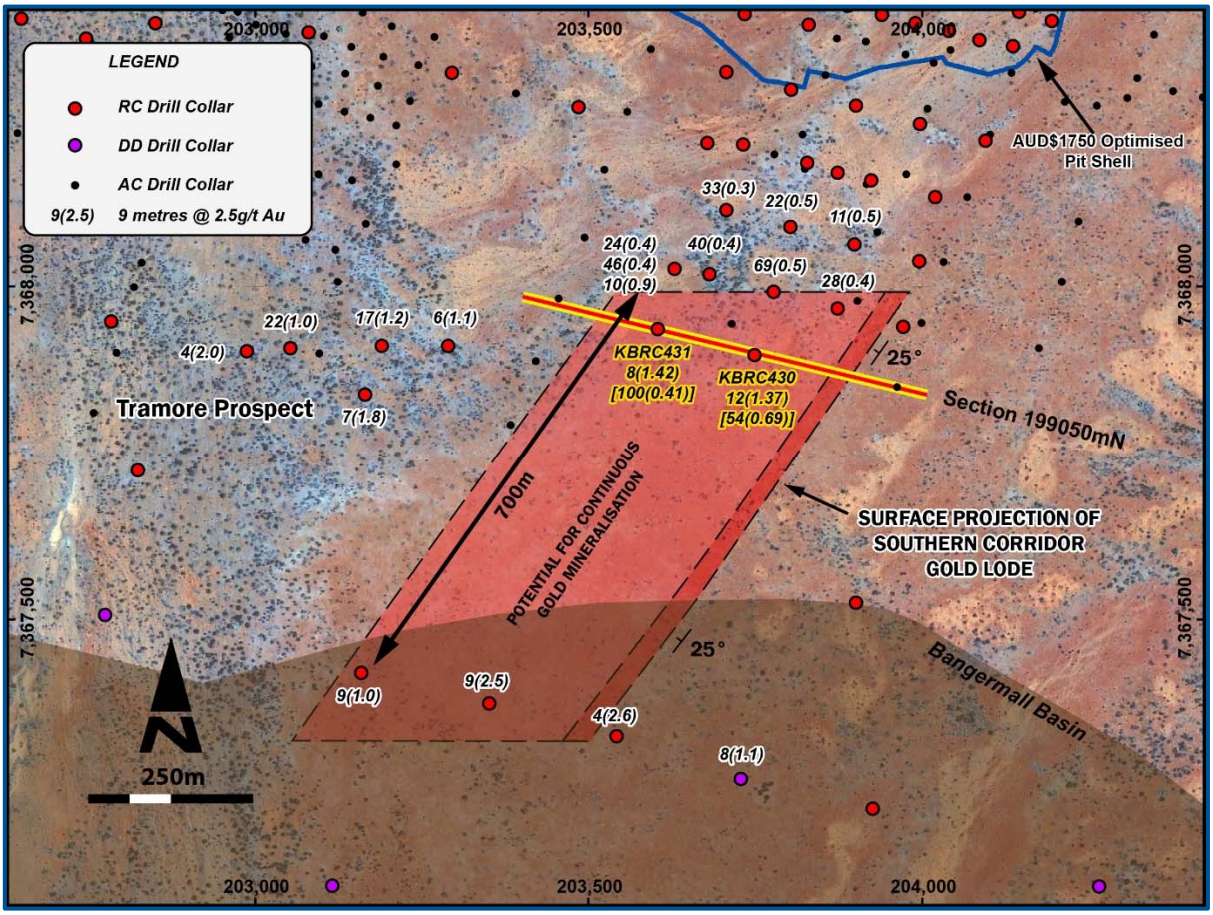

Figure 10: Southern Corridor Prospect Drilling Results (Plan)

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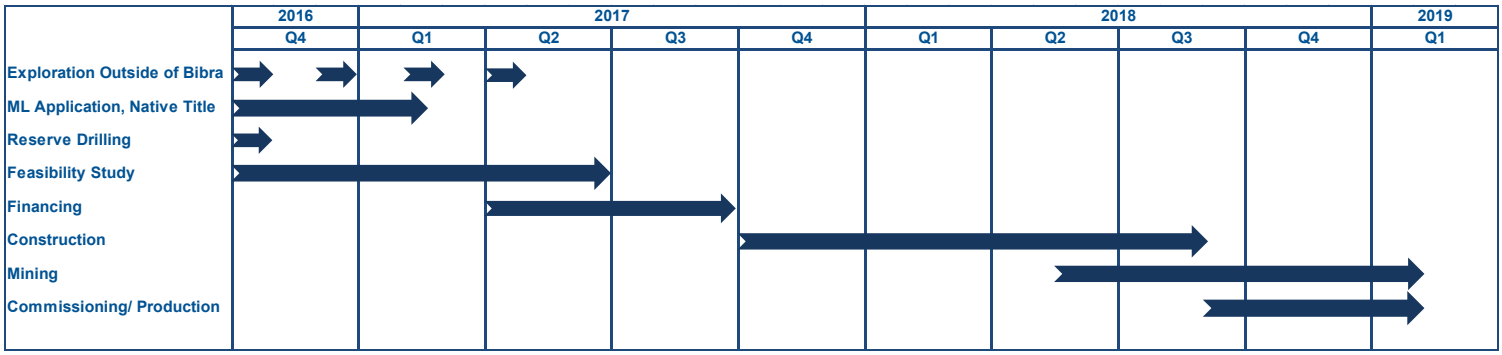
FEASIBILITY STUDY ACTIVITIES, SEPTEMBER QUARTER

In addition to the drilling activity mentioned above, the following DFS activities were completed during the Quarter:

- Audit of Bibra Resource Estimate. An audit report on the Bibra Inferred Resource estimate was completed by Optiro consultants, with no adverse findings.
- Groundwater Source identified. Strong flows of fresh to sub-potable water were recorded from drilling to the west and south of, and within 4km of Bibra. Further drilling and test-pumping is required to allow an aquifer model to be generated.
- Bibra pit dewatering. Airlift pumping of drillholes at Bibra was completed, indicating low water flows, and suggesting no significant water issues for future mining, however further analysis, test pumping and modelling is required.
- Geotechnical diamond drilling (5 holes) were completed at Bibra. An independent expert's report on this work is awaited.
- Fauna habitat surveys were commenced, with results pending. Subterranean (downhole) fauna trapping is scheduled to commence in November.
- Project Schedule was updated and refined, as follows:



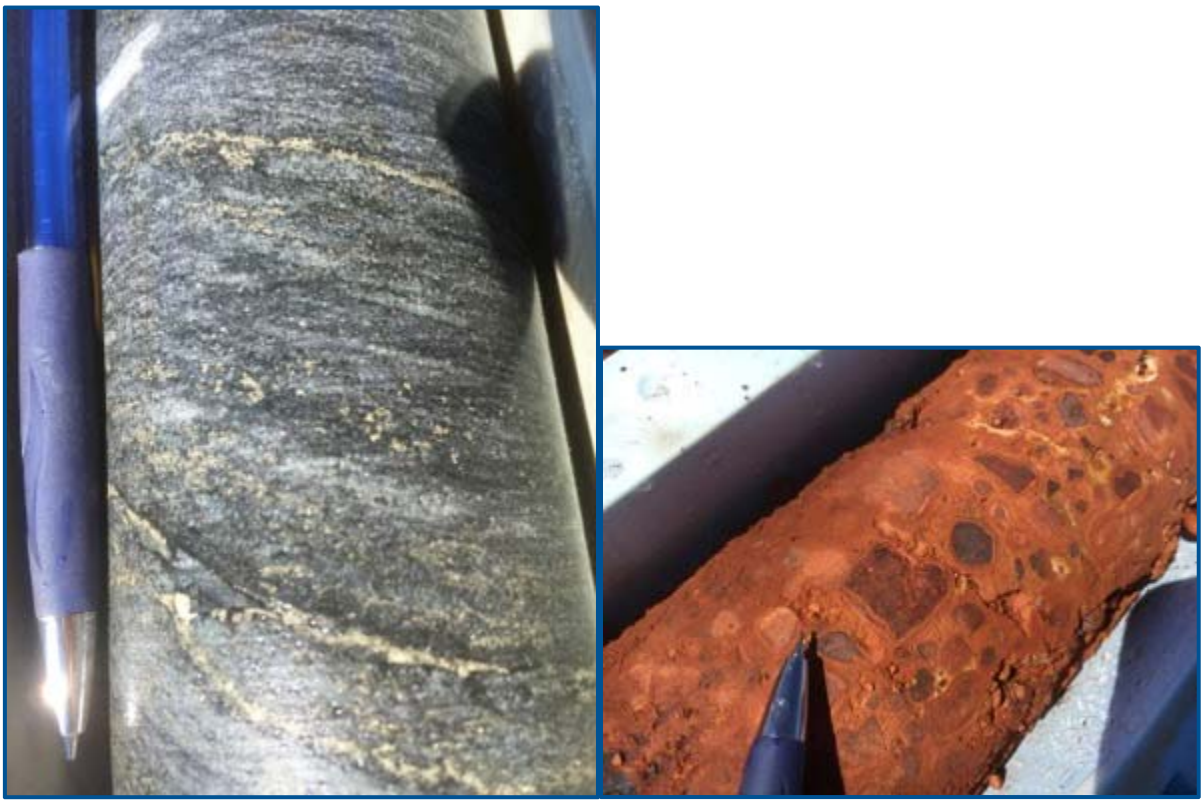


Figure 11: Mineralised Laterite and Fresh, sulphidic drill core from Bibra deposit, September 2016

DECEMBER QUARTER - PLANNED ACTIVITIES

During the December Quarter, the following activities are planned for Karlawinda:

- Complete drill testing of exploration targets, near-Bibra;
- Complete in-fill drill programme at Bibra to establish Indicated Resources;
- Follow-up hydrogeological drilling and testwork to establish process water borefield position;
- Complete surface hydrogeology surveys and reporting;
- Complete Plant and Tailings dam geotechnical investigations;
- Commence laboratory metallurgical testwork;
- Continue environmental surveys, Bibra area; and
- Complete new Bibra access road planning and associated heritage surveys.

MADAGASCAR PROJECTS

As previously announced, the Company has decided to divest its Madagascar assets in an orderly manner, as they are considered non-core, with the sole focus now on the development of the Karlawinda Gold Project. Planning for the sale of the Maniry graphite project and other Madagascan assets continues to progress.

CORPORATE

FINANCIAL POSITION

The Company's cash position at 30th September was $6.8 million, a reduction of $4.9 million for the quarter.

As announced to ASX on 22nd August 2016, a final payment of $1.5m was made to Independence Group, and Capricorn now controls 100% of the Karlawinda Project.

At 30th September, the Company held a balance of 1,000,000 Energizer shares which are available for sale.

TENEMENTS

A full listing of the company's current tenement holdings is included as Appendix 1.

During the quarter, one tenement application was lodged:

Tenement	Project	Company	Blocks/Area	Status	Date of Grant/ Application	Expiry
E52/3474	Karlawinda	Greenmount	128	Application	16/09/2016	-

For and on behalf of the Board

Peter Thompson
Managing Director

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Competent Persons Statement

The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled or reviewed by Mr. Peter Langworthy, Technical Director, who is a Member of the Australian Institute of Mining and Metallurgy. Mr. Peter Langworthy is a full time Director of Capricorn Metals Limited and has sufficient experience, whi1ch is relevant to the style of mineralisation and types of deposit under consideration and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Peter Langworthy consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

APPENDIX 1 – TENEMENT SCHEDULE

Australia

Tenement	Project	Company	Blocks [1]	Status	Date of Grant / Application	Expiry
E52/1711	Karlawinda	Greenmount	35	Granted	05/08/2004	04/08/2016
E52/2247	Karlawinda	Greenmount	16	Granted	21/07/2009	20/07/2019
E52/2398	Karlawinda	Greenmount	15	Granted	28/04/2010	27/04/2020
E52/2409	Karlawinda	Greenmount	8	Granted	16/06/2010	16/06/2020
E52/3323	Karlawinda	Greenmount	11	Granted	11/03/2016	10/03/2021
E52/3363	Karlawinda	Greenmount	36	Application	29/10/2015	-
E52/3364	Karlawinda	Greenmount	46	Application	04/11/2015	-
E52/3450	Karlawinda	Greenmount	16	Application	24/05/2016	-
E52/3474	Karlawinda	Greenmount	128	Application	16/09/2016	-
M52/1070	Karlawinda	Greenmount		Application	21/04/2016	-
Total Blocks			**311**			

Note:

1. The area measurement for one block can vary between 2.8 – 3.2 km^2

Madagascar

Title Number	Permit Type	Grant Date	Expiry Date	Term (Years)	Project Name	Total Carres (New - 0.391km2)	Interest %	Notes
3432	**PR**	21-Sep-15	20-Sep-18	**3**	Ampanihy - Central (Big 'S')	48	100%	
5391	**PE**	20-Nov-02	19-Nov-42	**40**	Ampanihy - Ianapera	16	100%	
5392	**PE**	20-Nov-02	19-Nov-42	**40**	Ampanihy - Ianapera	16	100%	
5393	**PE**	20-Nov-02	19-Nov-42	**40**	Ampanihy - Ianapera	16	100%	4
5394	**PE**	20-Nov-02	19-Nov-42	**40**	Ampanihy - Maniry	48	100%	3
19932	**PE**	10-Mar-06	09-Mar-46	**40**	Ampanihy - Maniry	112	100%	
25093	**PE**	18-Jan-07	17-Jan-47	**40**	Ampanihy - Ianapera	16	100%	2
25094	**PE**	18-Jan-07	17-Jan-47	**40**	Ampanihy - Ianapera	16	100%	2
25095	**PE**	18-Jan-07	17-Jan-47	**40**	Ampanihy - Maniry	48	100%	2
25605	**PR**	18-Jun-01	17-Jun-11	**10**	Ampanihy - Maniry	80	100%	1
25606	**PR**	18-Jun-01	17-Jun-11	**10**	Ampanihy - Maniry	16	100%	1
39750	**PR**	21-Sep-15	20-Sep-18	**3**	Ampanihy - Central (Big 'S')	16	100%	
39751	**PR**	21-Sep-15	20-Sep-18	**3**	Ampanihy - Central (Big 'S')	160	100%	
Total Carres						**608**		

Note:

1. Renewal awaiting confirmation from BCMM. All annual fees have been paid up to 31 December 2016.
2. Leased to SQNY – Royalty and partial tenement fees payable to MDA.
3. Leased to Jupiter Mines and Minerals – Royalty and annual tenement fees payable to MDA.
4. Leased to Hery Lala Alain Raharinavio – Royalty on small blocks

+Rule 5.5

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

CAPRICORN METALS LTD

ABN	**Quarter ended ("current quarter")**
84 121 700 105	30 SEPTEMBER 2016

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	14	14
1.2	Payments for		
	(a) exploration & evaluation	(2,991)	(2,991)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(170)	(170)
	(e) administration and corporate costs	(223)	(223)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	50	50
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	-
1.8	Other: GST (Paid)/ Refunded	(268)	(268)
1.9	**Net cash from / (used in) operating activities**	**(3,588)**	**(3,588)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(9)	(9)
	(b) tenements (see item 10)	(1,500)	(1,500)
	(c) investments	(26)	(26)
	(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	21	21
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(1,514)**	**(1,514)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	150	150
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**150**	**150**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	11,755	11,755
4.2	Net cash used in operating activities (item 1.9 above)	(3,588)	(3,588)
4.3	Net cash used in investing activities (item 2.6 above)	(1,514)	(1,514)
4.4	Net cash from financing activities (item 3.10 above)	150	150
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**6,803**	**6,803**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	1,668	11,755
5.2	Call deposits	5,135	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**6,803**	**11,755**

6.	Payments to directors of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	128
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.	Payments to related entities of the entity and their associates	Current quarter $A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	541
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

Payments to OMNI GeoX Pty Ltd ("OMNI"), of which Mr Langworthy is a director and shareholder. OMNI provide services in relation to the management and execution of the exploration programme.

8.	**Financing facilities available** *Add notes as necessary for an understanding of the position*	**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.

9.	**Estimated cash outflows for next quarter**	**$A'000**
9.1	Exploration and evaluation	3,000
9.2	Development	-
9.3	Production	-
9.4	Staff costs	150
9.5	Administration and corporate costs	150
9.6	Other (provide details if material)	-
9.7	**Total estimated cash outflows**	**3,300**

10.	**Changes in tenements (items 2.1(b) and 2.2(b) above)**	**Tenement reference and location**	**Nature of interest**	**Interest at beginning of quarter**	**Interest at end of quarter**
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced		Refer to Covering Quarterly Activity Report attached hereto		
10.2	Interests in mining tenements and petroleum tenements acquired or increased		Refer to Covering Quarterly Activity Report attached hereto		

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Sign here: ..... Date: 25th October 2016
Company secretary

Print name: Natasha Forde

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.