

## Corporate Directory

ASX Code: POS  
Shares on Issue: 2,638M  
Market Cap: ≈\$115M  
Cash and investments at 30 June 2019  
\$60.1M

## Board of Directors

**Non-Executive Chairman**  
Geoffrey Brayshaw

**Non-Executive Directors**  
Felicity Gooding  
Karl Paganin

**Managing Director and CEO**  
Robert Dennis

**Company Secretary**  
Eryn Kestel

## Key Shareholders

Black Mountain Metals: 19.8%  
Squadron Resources: 17.1%

## Key Operating Nickel Assets (100%)

Black Swan/Silver Swan  
Lake Johnston  
Windarra

## Principal & Registered Office

Unit 8 Churchill Court  
331-335 Hay Street  
Subiaco 6008  
Western Australia

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E: [admin@poseidon-nickel.com.au](mailto:admin@poseidon-nickel.com.au)  
W: [www.poseidon-nickel.com.au](http://www.poseidon-nickel.com.au)

# QUARTERLY REPORT

## 30 JUNE 2019

## HIGHLIGHTS

- First stage of decline refurbishment completed
- First Eight holes at Silver Swan intersected high grade massive sulphides
- Silver Swan hole PBS006A intersected high grade massive sulphide ore outside the current resource shape (15.15m @ 8.64% - True width 3.5m)
- Black Swan disseminated - PBS001A & PBS002 intersected 223.1m @ 1.02%Ni (80m true width) & 289m @ 0.62% Ni (true width of 75m) respectively, at 900m below the Black Swan Open Pit
- Investigations to de-risk the mine's operational systems completed with successful outcomes



Poseidon Nickel Operations

**Poseidon Nickel is pleased to report on its activities for the June Quarter 2019.**

### **BLACK SWAN/SILVER SWAN MINE REFURBISHMENT**

The first stage of the Silver Swan decline refurbishment has been completed to enable diamond drilling of the Silver Swan resource to commence. In parallel, inspection and testing of ventilation systems and mine services have de-risked the planned restart of production operations. Work to repair a section of the mine's second means of egress has been successfully completed paving the way for its overall refurbishment.

### **BLACK SWAN and SILVER SWAN DIAMOND DRILLING**

Poseidon successfully completed a diamond drilling program targeting disseminated mineralisation within the Black Swan deposit, 900m below the base of the open pit. The drilling was performed by Webdrill and geological support supplied by Newexco; each having had historical ties to the project and bring back more local experience.

The area of initial focus and position relative to the Black Swan open pit and Silver Swan decline is shown in Figure 1 below. The Black Swan disseminated deposit is separate but parallel to the Silver Swan massive sulphide deposit. This 1,004m drilling program's objective was to commence investigation of the opportunity to extend the currently known resources and reserves below the pit to depth, due to its very close proximity to the existing Silver Swan decline and ventilation / egress infrastructure.

This pathfinder drilling will provide geological data and a platform for further geophysical electromagnetic (EM) testing. The core from these new drill holes will be used as the primary source material for assay as well as providing fresh material for mineralogical and metallurgical studies to ascertain sulphide recoveries of the Black Swan deposit at depth.

Stage two of the drilling program was focussed on de-risking the Silver Swan inferred resource to increase the company's confidence level in the restart of the project. In addition, some exploration holes were drilled to extend the Silver Swan Resource where previous reviews by Poseidon's geological team had shown opportunities.

Whilst most assays from the drill core are still pending, geological evidence shows that both aims of the stage two drilling were met. Mineralisation true thickness was on par or better than expected within the Silver Swan Resource, and areas of geological potential outside of the current resource did in fact contain substantial massive sulphide mineralisation (refer to hole PBS006A below).

### **BLACK SWAN INTERSECTIONS**

PBSD001A intersected 223.1m @ 1.02%Ni (80m true width) including a higher grade hanging wall zone of 74m @ 1.5%Ni (25m true width). The second hole PBSD002, targeting the footwall intersected 289m @ 0.62% Ni (true width of 75m). These positive results, combined with historical drilling data, will enable geological modeling in respect to the overall continuity of the Black Swan Disseminated deposit, to be progressed, and potentially extend the operations mine-life.

The latest drilling results, along with historically identified mineralisation is currently being reinterpreted and will be integrated with the original Black Swan open pit recovery and geological data so as to further assess the economic potential of the Black Swan disseminated deposit.

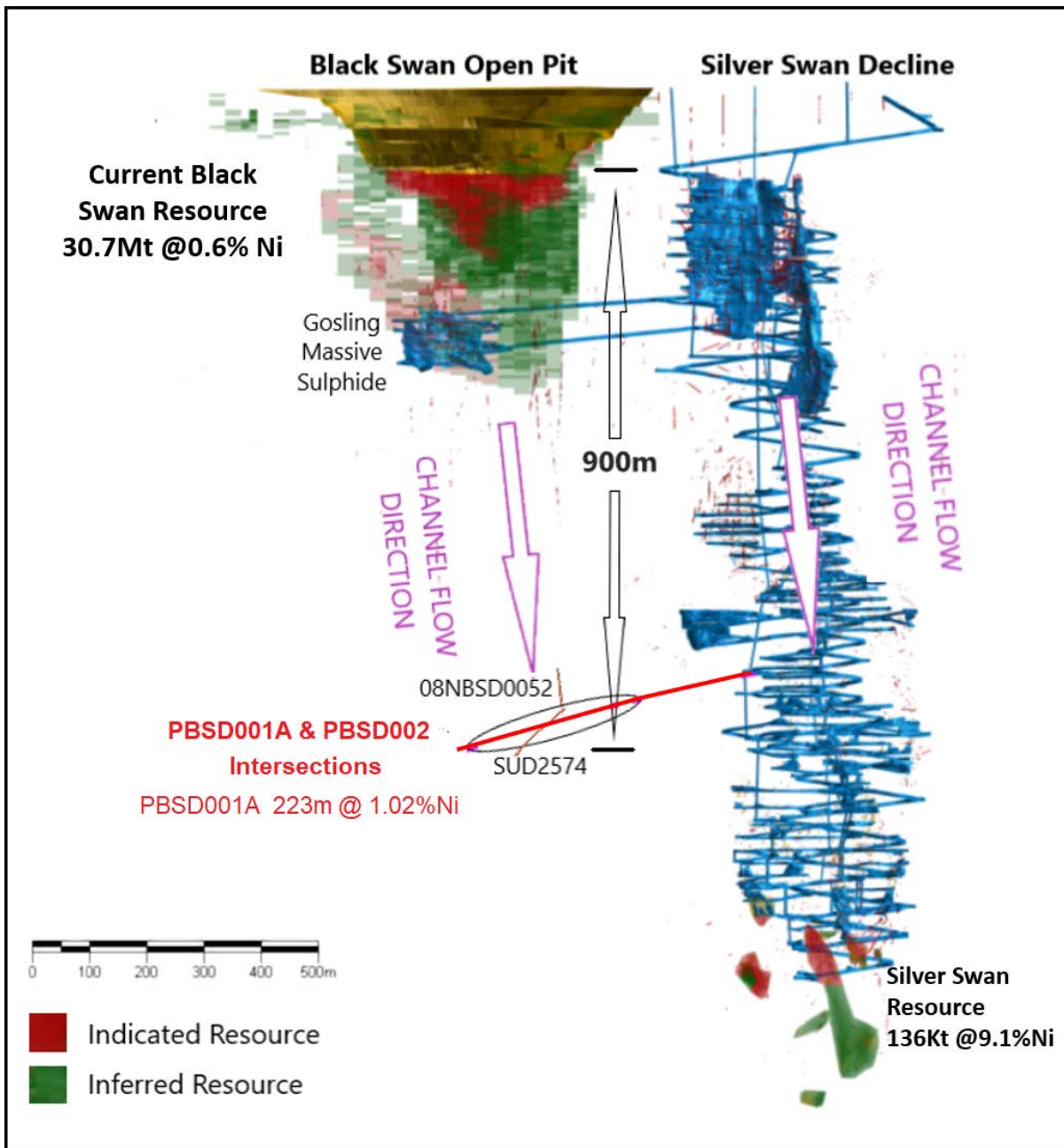


Figure 1: Long section showing 2018 Resources and Black Swan Disseminated drill hole intercept location

**SILVER SWAN INTERSECTIONS**

Silver Swan historically returned some of the highest-grade nickel sulphides assays in the world. The current work is part of a 3,000 metre program which is intended to extend the size of the Silver Swan deposit, as well as convert inferred ore resources to indicated resources.

The latest diamond drilling at Poseidon’s Silver Swan underground mine has intersected significant high-grade nickel sulphides, see Table 1 below.

Hole	m From	m To	Interval	Ni%	Cu%	Co%	As%	True Width
PBSD003	99	104.9	5.9m	9.92	0.24	0.18	0.15	2.5m
including	99.8	103.98	4.18m	12.28	0.23	0.21	0.008	
PBSD004	119.4	133	13.6	5.61	0.13	0.01	0.2	4.7m
including	119.4	122.9	3.5	14.01	0.23	0.24	0.35	
PBSD005	131.52	139	7.48m	10.89	0.25	0.17	0.2	2.9m
including	132.58	137.1	4.52m	15.04	0.21	0.22	0.089	
PBSD006	180	193	13m	5.64	0.35	0.12	0.19	n/a
including	187.05	191	3.95m	12.1	0.34	0.24	0.25	
PBSD006A	180	195.15	15.15	8.64	0.24	0.19	0.37	3.5m
including	186.2	192.19	5.99	12.85	0.18	0.22	0.2	
PBSD007				NSA				Dyke
PBSD008	151	154	3	1.08	0.06	0.02	0.21	Dyke
PBSD009	159.07	197	37.93	3.44	0.14	0.06	0.25	
with	177.15	197	19.85	5.6	0.24	0.1	0.18	
including	180.85	187.77	6.92	11.66	0.41	0.22	0.38	2.4m

Table 1: Significant Intersections received to date

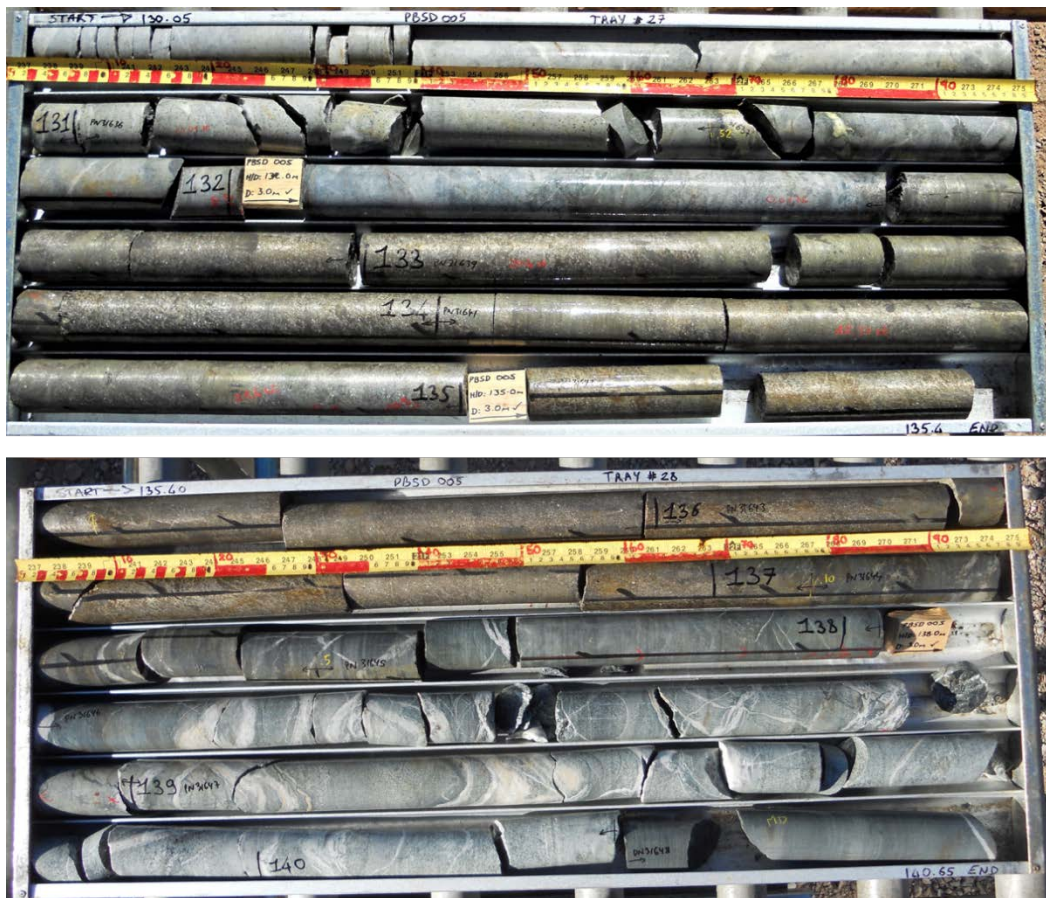


Figure 2: Core from PBSD005 (Tray 27 &28) showing massive sulphide mineralisation

PBSD003, PBSD004 and PBSD005 (see Figure 2) were drilled to confirm mineralisation within the interpreted Tundra-Mute extension. All three holes intersected massive sulphide mineralisation on par or thicker than had been modelled previously; which is a positive feature for reserve conversion. Additionally, assays show that any dilution of the massive sulphide during mining is likely to still carry significant grade greater than 1% nickel in sulphides which are recoverable in the nickel flotation process.

Prior to the Norilsk shut down of the Black Swan operations in 2009, a geophysical down-hole electromagnetic (DHEM) survey was completed at Silver Swan has provided strong indications of additional ore adjacent to the known extensions of the Silver Swan deposit.

Holes PBSD006 and PBSD006A were the first holes of the program drilled outside the current resource area to intersect potentially mineralized areas highlighted by the DHEM surveys and a reinterpretation of the channel. The intercepted grade and location is an indication that the Silver Swan resource will increase as the drilling progresses. Whilst PBSD006 only glanced the massive sulphide due to the orientation of mineralisation, a wedge hole PBSD006A has intersected significant nickel sulphides and widths, as it progressed through the mineralisation (see Figure 3).

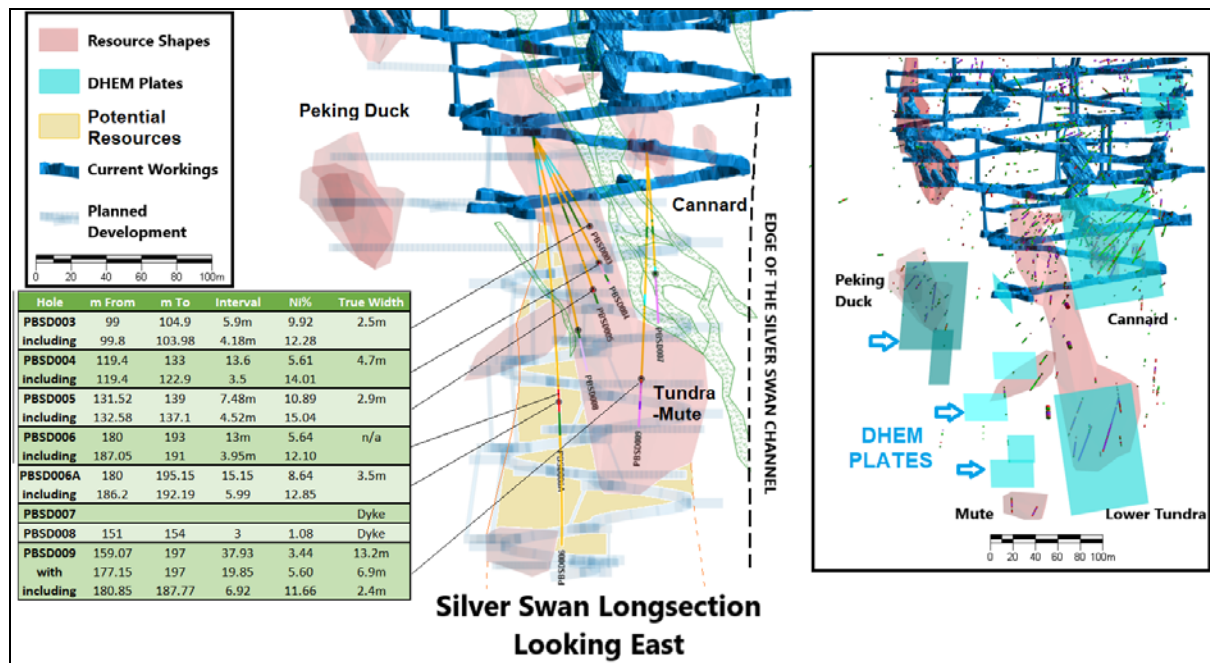


Figure 3: Silver Swan longsection - DHEM Plates and Drill Hole locations

The collective outcomes achieved from Silver Swan and Black Swan drilling will be considered as part of the ongoing review and optimisation of the Company restart program. The Feasibility Study released to the ASX 18<sup>th</sup> July 2018, anticipated ore would be sourced from each of the Black Swan Open pit, the high-grade Silver Swan deposit and from above ground legacy stockpiles. The current drilling programs are continuing to enable the Company to reassess and potentially extend these ore sources with the potential to extend the operations mine-life.

### WINDARRA NICKEL PROJECT

The Mt Windarra underground mine and its associated infrastructure remains on care and maintenance. A limited exploration RC drilling campaign is planned for quarter two to test an area north of the Cerberus deposit to assist with future planning of exploration in the area.

The process of the termination of the Poseidon Nickel Agreement Act is progressing which is expected to provide clarity to the Company's revised obligations and opportunities. The Department of Jobs, Tourism, Science and Innovation (DJTSI) is still in the process of finalising the termination documents for consideration.

### LAKE JOHNSTON OPERATIONS

Lake Johnston Operations remain on care and maintenance. Planning has commenced for a geochemical exploration campaign to the south of Maggie Hays and it is expected this work will commence in quarter one.

### FINANCIAL

As at 30 June 2019, the Company had cash and current investments of \$60.1 million. \$57.5 million has been classified as investments based on the accounting treatment of this current asset and due to the term deposit having a maturity in excess of 3 months.

### CORPORATE

The Company has appointed Mr Brendan Shalders as its new Chief Financial Officer and Company Secretary. As announced on 11 July 2019 Mr Shalders will commence with Poseidon on 9<sup>th</sup> September 2019. The appointment of Mr Shalders is the first step in developing a new management team for Poseidon.

Poseidon's Managing Director and CEO, Rob Dennis will leave the organisation at the end of August after a 12 year association with the Company. A search has commenced for a replacement CEO and it is expected this process to be completed by the end of the next quarter.

The Company continues to retain several part time contractors to ensure the continuity of safe operating practices and financial controls until a final decision is made to progress with an operational restart.

### MARKET INFORMATION

The key drivers of the nickel market remain:

- Sustained growth in Stainless steel demand
- New demand from battery technology in the transport and renewable energy industries
- Price volatility of the last quarter has softening although forward sales forecast an upward movement in price for the next quarter

The average pricing for the quarter has month on month decreased from US\$12,772.79 for April, US\$12,061.31 for May and June US \$11,943.94 . While a period of retreating pricing has occurred, an appreciable upward trend is appearing into the next quarter.

Current LME stockpiles closed the quarter at 164,718 tonnes, a downward trend of 12,480 tonnes across the last quarter. *Source: LME Website, 2019 Q1 Nickel.*

Generally, the market forecasters predict the nickel market balance will remain in deficit. While this deficit continues, it is unclear as to timing when the market will see a sustained positive effect on the nickel metal price. On a longer-term basis (over 2 years), declining stocks have contributed to longer term upward price trends.



**Robert Dennis**  
**Managing Director and CEO**

23 July 2019

### **About Poseidon Nickel Limited**

*Poseidon Nickel Limited (ASX: POS, "Poseidon"), is an Australia focussed nickel company that owns three previously operating Nickel Sulphide mines: Windarra, Black Swan/Silver Swan and Lake Johnston. These 100% owned assets collectively had an operating capacity of 3.6mtpa (Lake Johnston 1.5mtpa; Black Swan 2.1mta). The processing facilities at Lake Johnston and Black Swan have been maintained through company managed, care and maintenance programs*

*On 18 July 2018, POS released to ASX a definitive feasibility study regarding the restart of operations and potential outcomes for Black Swan/Silver Swan, located 50 kms from Kalgoorlie. Poseidon is currently undertaking a number of de-risking initiatives including additional underground diamond drilling at Black Swan*

*Poseidon has continued to explore at Lake Johnston, with recent diamond drilling at the Abi Rose prospect. These exploration results were released to ASX on 22 October 2018 and 21 November 2018.*

*Windarra has a number of near mine exploration projects including the extension of the original Windarra deposit, Cerberus, South Windarra and Woodline Well.*

*The current Resource Statement below shows a combined Nickel resource of 391,900 tonnes of Nickel (which should be read with the Competent Person statements below).*

MINERAL RESOURCE STATEMENT

Table 1: Nickel Projects Mineral Resource Statement

Nickel Sulphide Resources	JORC Compliance	Cut Off Grade	MINERAL RESOURCE CATEGORY												
			INDICATED			INFERRED			TOTAL						
			Tonnes (Kt)	Ni% Grade	Ni Metal (t)	Tonnes (Kt)	Ni% Grade	Ni Metal (t)	Tonnes (Kt)	Ni% Grade	Ni Metal (t)	Co% Grade	Co Metal (t)	Cu% Grade	Cu Metal (t)
<b>BLACK SWAN PROJECT</b>															
Black Swan	2012	0.40%	9,600	0.68	65,000	21,100	0.54	114,000	30,700	0.58	179,000	0.01	4,200	NA	-
Silver Swan	2012	4.50%	52	9.19	4,800	84	9.01	7,600	136	9.08	12,400	0.17	250	0.45	600
<b>LAKE JOHNSTON PROJECT</b>															
Maggie Hays	2012	0.80%	2,600	1.60	41,900	900	1.17	10,100	3,500	1.49	52,000	0.05	1,800	0.10	3,400
<b>WINDARRA PROJECT</b>															
Mt Windarra	2012	0.90%	922	1.56	14,000	3,436	1.66	57,500	4,358	1.64	71,500	0.03	1,200	0.13	5,700
South Windarra	2004	0.80%	772	0.98	8,000	-	-	-	772	0.98	8,000	NA	-	NA	-
Cerberus	2004	0.75%	2,773	1.25	35,000	1,778	1.91	34,000	4,551	1.51	69,000	NA	-	0.08	3,600
<b>TOTAL</b>															
Total Ni, Co, Cu Resources	2004 & 2012		16,720	1.01	168,700	27,300	0.82	223,200	44,020	0.89	391,900	0.05	7,450	0.10	13,300

Note: totals may not sum exactly due to rounding. NA = information Not Available from reported resource model. The Indicated Mineral Resources are inclusive of those Mineral Resources modified to produce the Ore Reserves.

Black Swan Resource as at 22 July 2014, Silver Swan Resource as at 3 June 2016, Maggie Hays Resource as at 17 March 2015, Mt Windarra, South Windarra and Cerberus Resource as at 30 April 2013

Table 2: Gold Tailings Project Mineral Resource Statement

Gold Tailings Resources	JORC Compliance	Cut Off Grade	MINERAL RESOURCE CATEGORY				
			TOTAL INDICATED				
			Tonnes (Kt)	Au Grade (g/t)	Au (oz)	Ag Grade (g/t)	Ag (oz)
<b>WINDARRA GOLD TAILINGS PROJECT</b>							
Gold Tailings	2004	NA	11,000	0.52	183,000	1.9	670,000
<b>TOTAL</b>							
Total Au Resources	2004		11,000	0.52	183,000	1.9	670,000

Note: totals may not sum exactly due to rounding.

Windarra Gold Tailings Resource as at 30 April 2013.



## ORE RESERVE STATEMENT

**Table 3: Nickel Projects Ore Reserve Statement**

Nickel Sulphide Reserves	JORC Compliance	ORE RESERVE CATEGORY						
		PROBABLE						
		Tonnes (Kt)	Ni% Grade	Ni Metal (t)	Co% Grade	Co Metal (t)	Cu% Grade	Cu Metal (t)
<b>SILVER SWAN PROJECT</b>								
Silver Swan Underground	2012	57	5.79	3,300	0.11	60	0.26	150
Black Swan Open pit	2012	3,370	0.63	21,500	NA	NA	NA	NA
<b>TOTAL</b>								
Total Ni Reserves	2012	3,427	0.72	24,800	0.11	60	0.26	150

Note: Calculations have been rounded to the nearest 10,000 t of ore, 0.01 % Ni grade 100 t Ni metal and 10t of cobalt metal.

Co & Cu grades and metal content for Black Swan require additional modelling prior to estimation. Silver Swan Underground Reserve as at 26 May 2017, Black Swan Open Pit Reserve as at 5 November 2014.

The Company is not aware of any new information or data that materially affects the information in this report and the Resource/Reserve tables above. Such information is based on the information compiled by the Company's Geologists and the Competent Persons as listed below in the Competent Person Statements.

### COMPETENT PERSON STATEMENTS:

The information in this report that relates to Exploration Results is based on, and fairly represents, information compiled and reviewed by Mr Steve Warriner, Chief Geologist, who is a full-time employee at Poseidon Nickel, and is a Member of The Australian Institute of Geoscientists.

The information in this report which relates to the Black Swan Mineral Resource is based on, and fairly represents, information compiled by Mr Andrew Weeks who is a full-time employee of Golder Associates Pty Ltd. The information in this report which relates to the Black Swan Ore Reserve is based on, and fairly represents, information compiled by Mr Andrew Weeks who is a full-time employee of Golder Associates Pty Ltd and who is a Members of the Australasian Institute of Mining and Metallurgy.

The information in this report which relates to the Silver Swan Mineral Resource is based on, and fairly represents, information compiled by Mr Steve Warriner, Chief Geologist, who is a full-time employee at Poseidon Nickel, and is a Member of The Australian Institute of Geoscientists and Mr Ian Glacken who is a full time employee of Optiro Pty Ltd and is a Fellow of the Australasian Institute of Mining and Metallurgy. The information in this report which relates to the Silver Swan Ore Reserve is based on, and fairly represents, information compiled by Mr Matthew Keenan who is a full-time employee of Entech Pty Ltd and is a Member of the Australasian Institute of Mining and Metallurgy.

The information in this report which relates to the Lake Johnston Mineral Resource is based on, and fairly represents, information compiled by Mr Steve Warriner, Chief Geologist, who is a full-time employee at Poseidon Nickel, and is a Member of The Australian Institute of Geoscientists and Mr Andrew Weeks who is a full-time employee of Golder Associates Pty Ltd and is a Member of the Australasian Institute of Mining and Metallurgy. The information in this report which relates to the Lake Johnston Ore Reserves Project is based on, and fairly represents, information compiled by Mr Matthew Keenan who is a full time employee of Entech Pty Ltd and is a Member of the Australasian Institute of Mining and Metallurgy.

The information in this report that relates to Mineral Resources at the Windarra Nickel Project and Gold Tailings Project is based on, and fairly represents, information compiled by Mr Steve Warriner, Chief Geologist, who is a full-time employee at Poseidon Nickel, and is a Member of The Australian Institute of Geoscientists and Mr Ian Glacken who is a full time employee of Optiro Pty Ltd and is a Fellow of the Australasian Institute of Mining and Metallurgy. The Windarra Project contains Mineral Resources which are reported under JORC 2004 Guidelines as there has been no Material Change or Re-estimation of the Mineral Resource since the introduction of the JORC 2012 Codes. Future estimations will be completed to JORC 2012 Guidelines.

Mr Warriner, Mr Glacken, Mr Weeks, and Mr Keenan all have sufficient experience which 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 Warriner, Mr Glacken, Mr

*Weeks, and Mr Keenan have consented to the inclusion in the report of the matters based on his 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.*

**FORWARD LOOKING STATEMENT – INFERRED RESOURCE STATEMENTS:**

*The Company notes that an Inferred Resource has a lower level of confidence than an Indicated Resource and that the JORC Codes, 2012 advises that to be an Inferred Resource it is reasonable to expect that the majority of the Inferred Resource would be upgraded to an Indicated Resource with continued exploration. Based on advice from relevant competent Persons, the Company has a high degree of confidence that the Inferred Resource for the Silver Swan deposit will upgrade to an Indicated Resource with further exploration work.*

*The Company believes it has a reasonable basis for making the forward looking statement in this announcement, including with respect to any production targets, based on the information contained in this announcement and in particular, the JORC Code, 2012 Mineral Resource for Silver Swan as of May 2016, together with independent geotechnical studies, determination of production targets, mine design and scheduling, metallurgical testwork, external commodity price and exchange rate forecasts and worldwide operating cost data.*

**FORWARD LOOKING STATEMENTS:**

*This release contains certain forward looking statements including nickel production targets. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as “may”, “will”, “except”, “intend”, “plan”, “estimate”, “anticipate”, “continue”, and “guidance”, or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production and expected costs. Indications of, and guidance on future earnings, cash flows, costs, financial position and performance are also forward looking statements*

*Forward looking statements, opinions and estimates included in this announcement are based on assumptions and contingencies which are subject to change, without notice, as are statements about market and industry trends, which are based on interpretation of current market conditions. Forward looking statements are provided as a general guide only and should not be relied on as a guarantee of future performance.*

*Forward looking statements may be affected by a range of variables that could cause actual results or trends to differ materially. These variations, if materially adverse, may affect the timing or the feasibility and potential development of the Silver Swan underground mine.*

## TENEMENTS

## Mining Tenements Held as at 30 June 2019

AREAS OF INTEREST	TENEMENTS	ECONOMIC ENTITY'S INTEREST
<b>Western Australia</b>		
Windarra Nickel Assets	MSA 38/261, G38/21, L38/121, L39/184, L38/199, L38/218, L39/221	100%
Windarra South	L38/119, L38/122, L38/220	100%
Woodline Well	M39/1075, L39/224	100%
Pool Well	M38/1244, M38/1245, L38/118	100%
Lake Johnston Nickel Assets	E63/1067, G63/0008, G63/0005, L63/0051, L63/0052, L63/0055, L63/0057, M63/0163, M63/0282, M63/0283, M63/0284, M63/0292, M63/0293, M63/0294, M63/0522, M63/0523, M63/0524, E63/1784	100%
Black Swan Nickel Assets	M27/0039, M27/0200, M27/0214, M27/0216, L27/0057, L27/0058, L27/0059, L27/0074, L27/0075, L27/0077, L27/0078, L24/0219, L24/0222	100%

E = Exploration Licence M = Mining Lease MSA = Mining Tenement State Act PL = Prospecting Licence  
L = Miscellaneous Licence

## Mining Tenements Disposed during the June 2019 Quarter

E27/357 : An Extension of Term Application for a further 2 years was not granted. The tenement was located at Black Swan, south of the tailings storage facility. G27/2 has been pegged south of the TSF for future expansion.

## Beneficial Percentage Interests Held in Farm-In or Farm-Out Agreements during the June 2019 Quarter

Nil

## Beneficial Percentage Interests Held in Farm-In or Farm-Out Agreements Acquired or Disposed of during the June 2019 Quarter

Nil

## 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**

Poseidon Nickel Limited

**ABN**

60 060 525 206

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

30 June 2019

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(2,713)	(8,001)
(b) development	-	-
(c) production	-	-
(d) staff costs	(237)	(1,190)
(e) administration and corporate costs	(684)	(3,188)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received (** see item 5)	330	624
1.5 Interest and other costs of finance paid	-	(984)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other – sundry income	36	147
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(3,268)</b>	<b>(12,592)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(102)	(220)
(b) tenements (see item 10)	-	-
(c) investments	2,504	(57,512)
(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	-	36
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>2,402</b>	<b>(57,696)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	74,814
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	-	(3,899)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	(42)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>-</b>	<b>70,873</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	3,499	2,048
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(3,268)	(12,592)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	2,402	(57,696)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	70,873
4.5 Effect of movement in exchange rates on cash held	-	-
<b>4.6 Cash and cash equivalents at end of period</b>	<b>2,633</b>	<b>2,633</b>

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>5. 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	633	3,499
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other – Term Deposits < 3 months *	2,000	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,633</b>	<b>3,499</b>

\* In addition, \$57,500,000 (previous quarter: \$60,016,000) held in Term Deposits > 3 months is shown under Investments at Item 2.1(c).

\* Interest on deposits is paid on maturity. The current term deposits have long dated maturity terms outside the current quarter's end date.

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

<b>Current quarter \$A'000</b>
180
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**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

<b>Current quarter \$A'000</b>
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## Mining exploration entity and oil and gas exploration entity quarterly report

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	US\$17,500	US\$17,500
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.		

Unsecured Convertible Note held by Black Mountain Metals Pty Ltd – interest rate of 5% per annum, denominated in US\$ and repayable on 30 September 2020 with a conversion price of AU\$0.09 per share.

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	3,500
9.2 Development	-
9.3 Production	-
9.4 Staff costs	350
9.5 Administration and corporate costs	450
9.6 Other (provide details if material)	-
<b>9.7 Total estimated cash outflows</b>	<b>4,300</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	E27/0357	Owned	100%	Nil
10.2 Interests in mining tenements and petroleum tenements acquired or increased	N/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:



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(Director)

Date: 23 July 2019

Print name: Geoffrey Brayshaw

### 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.