

ASX: FEL

# QUARTERLY REPORT

Quarter ended 30 September 2019

31 October 2019

## QUARTERLY REPORT – 30 September 2019

Please find attached the Quarterly Activities Report and Appendix 5B for the three month period ended 30 September 2019.

Yours faithfully  
Fe Limited

Tony Sage  
**Non-Executive Chairman**



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## CORPORATE

Fe Limited (**ASX: FEL**) (**FEL** or **Company**) is an Australian mineral exploration company with interests in various projects and tenements prospective for battery metals, copper, iron ore, gold and base metals located in Australia. The company is focused on the exploration of battery metal projects.

### Board Restructure

On 1 September 2019, Mr Mark Hancock was appointed as Executive Director of the Company. Mr Kenneth Keogh resigned as a Director on this date.

### General Meeting

The Company held an extraordinary general meeting on 8 August 2019 (**GM**) where all resolutions were passed on a show of hands. For more information, refer to the Notice of GM and Results available via the Company's website.

### Annual General Meeting

The Company's annual general meeting is scheduled to be held on 22 November 2019 (**AGM**). For more information, refer to the Notice of AGM available via the Company's website.

### Placement

During the period, the Company received \$75,000 in funding pursuant to a placement to sophisticated and professional investors at an issue price of \$0.015 per share (**Placement**). Shareholder approval for the issue of 5,000,000 shares was obtained at the GM.

### Iron Ore Royalty

During the period, FEL received a royalty payment of \$241,498 in relation to mining conducted by Mineral Resources Ltd (**ASX: MIN**) at its Deception iron ore mine during the June 2019 quarter.

FEL holds a 1.5% Dry Metric Tonne, FOB Royalty (**Evanston Iron Ore Royalty**) in respect to M77/1259 that is located approximately 20kms north of the Windarling mine. The Evanston Iron Ore Royalty area is located in the Southern Yilgarn Iron Province of Western Australia.

### Financial Position

Cash available at the end of the September 2019 quarter was \$0.53 million.

### Securities Issued

During the September 2019 quarter the Company issued the following securities:

- 5,000,000 ordinary shares (Placement Shares);
- 26,666,667 ordinary shares (issued to Macarthur as detailed below);
- 33,976,749 unlisted options exercisable at \$0.02 expiring 31 May 2021 (approved for issue at the GM); and
- 15,000,000 unlisted options exercisable at \$0.025 expiring 31 May 2021 (being the Consideration Options issued pursuant to the Mercury Acquisition as approved for issue at the GM (refer to the June 2019 quarterly report for full details).



## Earn-In Macarthur Minerals Lithium and Gold Tenements

On 14 May 2019, the Company announced that it had entered into an exclusive option agreement (**Option Agreement**) with Macarthur Lithium Pty Ltd (**MLi**), a wholly owned subsidiary of Macarthur Minerals Limited (**Macarthur**) (**TSX-V:MMS**) to acquire an interest of up to 75% in the tenements listed at Schedule 1 (**Project**). The Project includes 18 tenements highly prospective for gold, copper and lithium in proximity to numerous known hard rock lithium and gold deposits in the central and eastern Pilbara.

Under the terms of the Option Agreement, MLi granted FEL a 45 day option to enable FEL to conduct due diligence and secure the required funding to proceed with exercising the option. The Company paid a non-refundable option fee to MLi of \$100,000 in cash (**Option Fee**).

On 27 June 2019 (being the **Exercise Date**), FEL formally elected to exercise the option to earn-in, and the parties agreed that the payment terms of the \$400,000 payable to MLi (being the **Option Exercise Fee**) be extended to 31 August 2019.

On 28 August 2019, FEL and Macarthur executed a Revised Option Agreement. Pursuant to this, the Option Exercise Fee was equity settled on 29 August 2019 via the issue of 26,666,667 shares. The terms of the Stage 1, Stage 2, and Stage 3 earn in were revised under the Revised Option Agreement, as set out below.

FEL holds the right to earn-in up to 75% interest in the Project, on the following terms:

- 1) Stage 1 - Initial 25% interest in the Project by:
  - a. undertaking project expenditure on the Project tenements of no less than the minimum expenditure commitment; and
  - b. payment to MLi of \$500,000 in cash or ordinary FEL shares (based on the 5-day VWAP prior to the issue date) at FEL's election, within 1 year from the Exercise Date;
- 2) Stage 2 - Further 30% interest in the Project by:
  - a. undertaking further project expenditure on the Project tenements of no less than the minimum expenditure commitment; and
  - b. payment to MLi of \$500,000 in cash or shares (based on 5 day VWAP prior to the issue date) at FEL's election, within 2 years from the Exercise Date;
- 3) Stage 3 - Further 20% interest in the Project by:
  - a. undertaking further project expenditure on the Project tenements of no less than the minimum expenditure commitment; and
  - b. payment to MLi of \$750,000 in cash or shares (based on 5 day VWAP prior to the issue date) at FEL's election, within 3 years from the Exercise Date.

FEL can withdraw from the earn-in at any time and without penalty.

## PROJECTS

### Western Australia

The Company holds, or has rights or interests in, various tenements prospective for lithium, iron, nickel, copper and gold located in Western Australia.

The Company is continuing to explore recently acquired tenure in the East Pilbara. No beneficial interest in any tenements were acquired or disposed of during the quarter ended 30 September 2019.



### **Pippingarra Lithium Project and the Marble Bar Lithium Project – FEL 100% rights**

FEL acquired 100% beneficial interest in six tenements from Mercury in May 2019. The tenements acquired represent the Pippingarra Lithium Project and the Marble Bar Lithium Project (together the Projects) (refer Figure 1). The Company has commenced early exploration activities on its recently acquired tenure although no further work was conducted during the quarter.

### **Macarthur Minerals Lithium and Gold Tenements Project – FEL Right to Earn-In up to 75%**

FEL has secured the right to earn up to 75% interest in eighteen tenements pursuant to the Option Agreement with MLi. The Macarthur Minerals Lithium and Gold Project tenements are highly prospective for gold, copper and lithium in proximity to numerous known hard rock lithium and gold deposits in the central and eastern Pilbara (refer Figure 3 and Schedule 1). FEL has commenced early exploration activities on its recently acquired tenure with two field visits initially for reconnaissance most recently in preparation for drilling within the Hillside group.

Early reconnaissance was conducted to establish access to each of the tenements and establish an early impression on prospectivity for the purpose of work requirements and priorities for each area. This resulted in the Hillside group given the highest priority followed by Panorama and Strelley.

More detailed work involving field mapping and rock chip sampling was conducted on the three higher priority tenement groups with a key focus on the central Hillside tenement E45/4685 based on historic results and strongly encouraging rock chip assays and field observations, refer figure 3 for plan showing rock chip results from recent fieldwork.

Furthmore, a drilling program targeting an extensive and continuous gossan within E45/4685 has been planned and is ready for commencement on Monday 4<sup>th</sup> November. All necessary approvals received including heritage clearance and earthmoving for access and drill pad preparation has been completed.

In addition, during the drilling program, some time will be spent to further define the extent of high grade manganese outcrop identified approximately 1.5km east of the gossan line. This is being treated as a new area of focus as no historic records mentioning its presence have been found.

Drilling is expected to take less than a month and receipt of assay results is anticipated during the 4<sup>th</sup> quarter.

### **Bryah Basin Joint Venture Projects - FEL 20% rights**

FEL, via its wholly owned subsidiary Jackson Minerals Pty Ltd (**Jackson Minerals**), has a 20% interest in tenements covering an area of 804 km<sup>2</sup> in the highly prospective Bryah Basin proximal to Sandfire Resources NL (ASX: **SFR**) Doolgunna Project and DeGrussa copper gold mine.

The Bryah Basin Project tenements are subject to joint ventures and farm-ins with Westgold Resources Limited (ASX: **WGX**), Billabong Gold Pty Ltd (**Billabong**), Alchemy Resources (Three Rivers) Ltd (ASX: **ALY**), Auris Minerals Ltd (ASX:**AUR**) and SFR, refer Figure 3.

The Bryah Basin is emerging as a highly prospective and largely under-explored mineral field with potential for further discovery of gold and base metals.

### **Forrest Project - AUR/FEL - E52/1671 (Forrest), E52/1659 (Wodger & Bib Billy), P52/1494-1496**

The Forrest, Wodger and Big Billy Prospects are located along a 12km mineralized copper/gold trend which hosts multiple targets for volcanogenic massive sulphide (VMS) style mineralization. FEL holds a 20% interest in all minerals in two exploration licences and three prospecting licences (E52/1659 and E52/1671 and P52/1494-1496) within AUR's Forrest Project. WGX acquired AUR's 80% gold right interests in E52/1659 and E52/1671 via Metals X Ltd. FEL's 20% interests in all minerals are free carried until Decision to Mine.



The Wodger and Forrest prospects are confirmed as priority gold and copper prospects in AUR's Bryah Basin exploration portfolio.

AUR have not reported any work completed during the quarter.

***Morck Well Project - AUR/SFR/FEL- E51/1033, E52/1613, E52/1672***

The Morck Well project is located in the eastern part of the Bryah Basin and contains approximately 40km strike length of the highly prospective Narracoota Volcanic Formation. The northern boundary of Morck Well is adjacent to SFR's DeGrussa-Doolgunna exploration tenements. FEL holds a 20% interest in all minerals in three exploration licences (E51/1033, E52/1613 and E52/1672) within AUR's Morck Well project. SFR has a farm-in and joint venture with FEL and AUR where SFR can earn an interest in the Morck Well Project tenements by completing a minimum spend of \$2.0m on exploration over 2 years. Refer to ASX:AUR announcement 27 February 2018 for details.

SFR completed five exploration diamond drill holes and one RC drill hole during the quarter for a total drill advance of 2,042.9m. Drilling was designed to test the stratigraphy in proximity to geophysical and geochemical anomalies to the west and southwest of the Frenchy's Prospect at Morks Well. The drilling helped to further improve the geological interpretation and track the potential host sedimentary horizon along strike. Refer to ASX:AUR announcement 24 October 2019 for full details and drilling results.

***Peak Hill Project Base Metals Rights – ALY/IGO/FEL - E52/1668, E52/1678, E52/1722 and E52/1730***

The Peak Hill project covers approximately 45km strike of the prospective Narracoota Volcanic Formation sequence in the Bryah Basin and is proximal to SFR's Doolgunna Project and the Monty Prospect.

ALY has entered into a formal joint venture with SFR (refer to ASX:ALY 23Sept2019 for relevant information and diagrams). SFR has earned a 70% interest in base metals rights, excluding iron ore rights, in relation to whole area of E52/1722 and parts of E52/1668, E52/1678 and E52/1730. FEL holds a 20% interest in all minerals in these tenements free carried to Decision to Mine.

SFR continued aircore drilling at the Neptune Prospect on E52/1722 during the quarter. The drilling targeted the Karalundi sediments that host the DeGrussa copper-gold deposit. ALY has announced that "Sandfire's aircore drilling program has been very productive and appears to be confirming the potential for significant copper and gold mineralisation at the Neptune prospect" where anomalous gold results of 5m @ 1.6g/t Au from 65m and 5m @ 0.84g/t Au from 20m have been returned. Ground moving loop electromagnetic (MLEM) surveys to further improve targeting of the host volcanogenic massive sulphide (VMS) horizon have also been completed and interpretation is ongoing. Follow up AC and RC drilling is to continue in the December 2019 quarter, refer to ASX:ALY announcement 23 September 2019 for full details and drilling results.

***Peak Hill Project All Mineral Rights - ALY/Billabong/FEL - E52/1668, E52/1678, E52/1730, P52/1538, P52/1539***

Billabong, through an assignment of interests from NST, entered into a Farm-In and Joint Venture agreement with ALY (refer to ASX:ALY 24Feb2015), in regard to parts of E52/1668, E52/1678, E52/1730 (excluding those parts being farmed into by SFR) and also to earn an 80% interest in the whole of E52/1852. FEL retains its 20% free carried interests in all minerals to decision to mine, via wholly owned subsidiary Jackson Minerals.

FEL has not received any updates from Billabong during the quarter.

***Mt Ida Iron Ore Project - Mt Ida Gold***

Mt Ida Iron Ore Project is approximately 80km northwest of the operational railway at Menzies, which offers access to existing port facilities at Esperance. The Project area covers part of the Mt Ida - Mt Bevan banded iron formation, which is currently being explored and evaluated by Jupiter Mines Limited and Legacy Iron Ore Limited.

The Mt Ida Iron Ore Project (**Mt Ida Iron Project**) provides FEL the rights to explore and mine for iron ore on exploration license E29/640 and mining leases M29/2, M29/165 and M29/422 held by Mt Ida Gold Pty Ltd, covering approximately



120km<sup>2</sup> in the emerging Yilgarn Iron Province. The rights give provision for FEL to retain revenue from any iron ore product it mines from the tenure. FEL has no registered interest in these tenements.

### **Evanston Iron Ore Royalty - Mineral Resources Ltd**

FEL holds a 1.5% Dry Metric Tonne, FOB Royalty over two tenements (E77/1322 and M77/1259) within the Evanston Iron Ore Project located in the Southern Yilgarn Iron Province of Western Australia approximately 20kms north of the Windarling mine. M77/1259 forms part of Mineral Resources Ltd (MRL) Koolyanobbing Iron Ore Project.

Mineral Resources Limited are continuing to mine iron ore at their Koolyanobbing Project. FEL has received a royalty payment of \$241,498 from MRL for ore mined at the Deception deposit on M77/1259 during the June 2019 Quarter and is currently expecting a payment of \$645,775 for ore mined during the September 2019 quarter.

For further information please contact:

#### **Investor Relations**



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*The Company does not undertake any obligation to update publicly or release any revisions to these forward looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions or conclusions contained in this announcement. To the maximum extent permitted by law, none of the Company, its Directors, employees, advisors or agents, nor any other person, accepts any liability for any loss arising from the use of the information contained in this announcement. You are cautioned not to place undue reliance on any forward looking statement. The forward looking statements in this announcement reflect views held only as at the date of this announcement.*

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### **Competent Person Statement**

*The information in this report is compiled and collected by Mr Olaf Frederickson, who is a Member of the Australasian Institute of Geoscientists. Mr Frederickson has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration, Results, Mineral Resource and Ore Reserves (JORC Code 2012). Mr Frederickson consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.*



**Figure 1:** Pippingarra Lithium Project, Marble Bar Lithium Project and Macarthur Minerals Lithium and Gold Earn-In Project Tenements

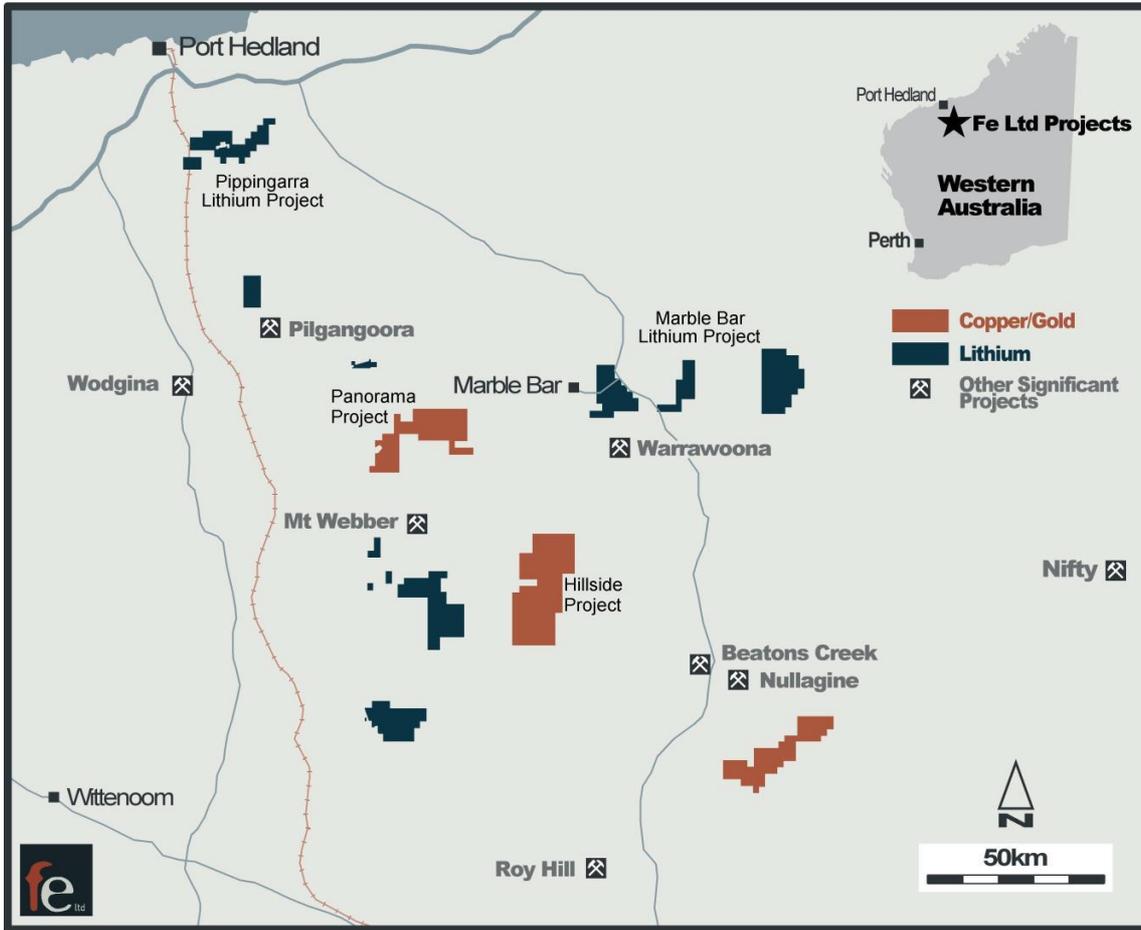


Figure 2: Macarthur Minerals Lithium and Gold Tenements

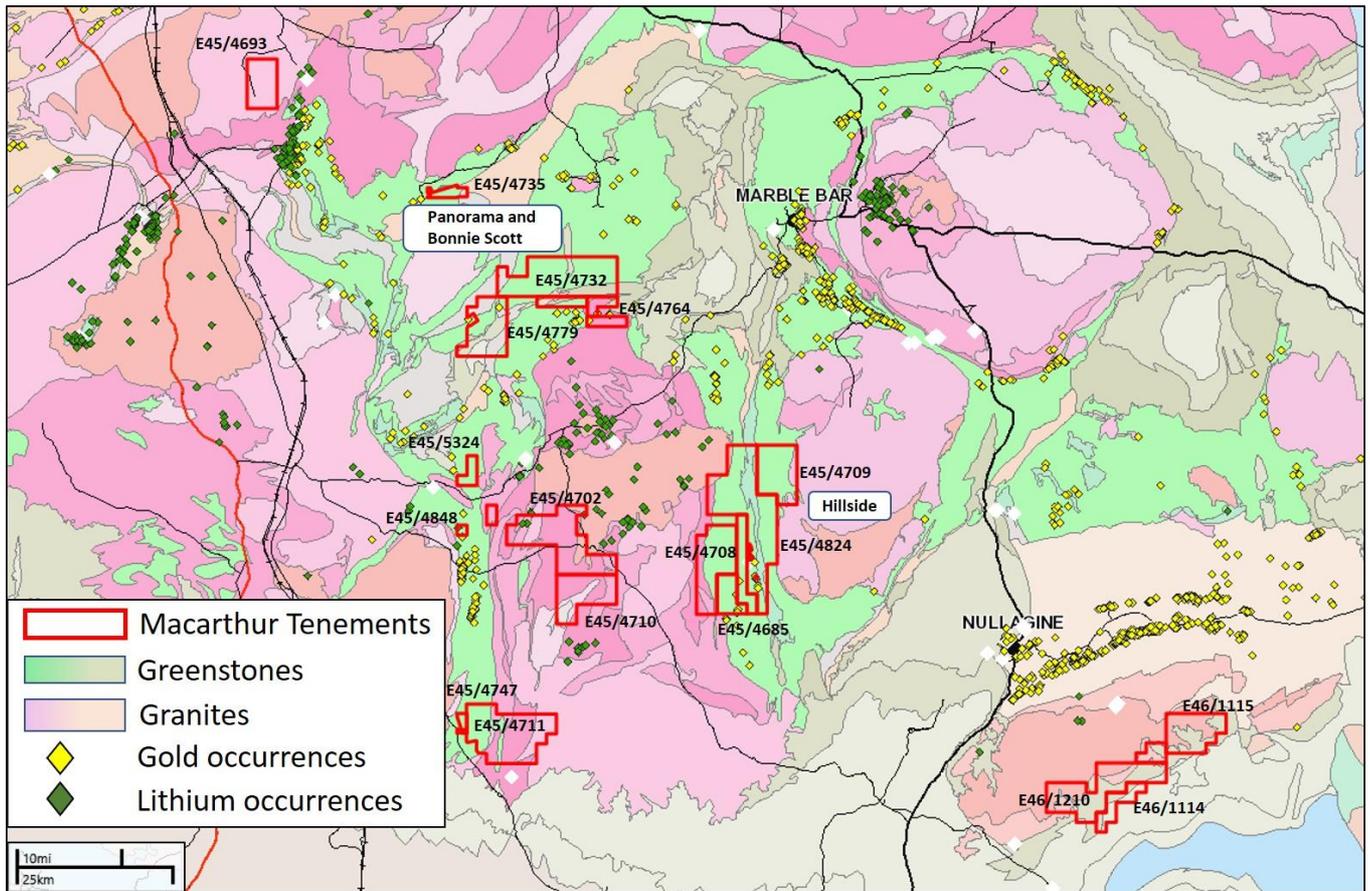
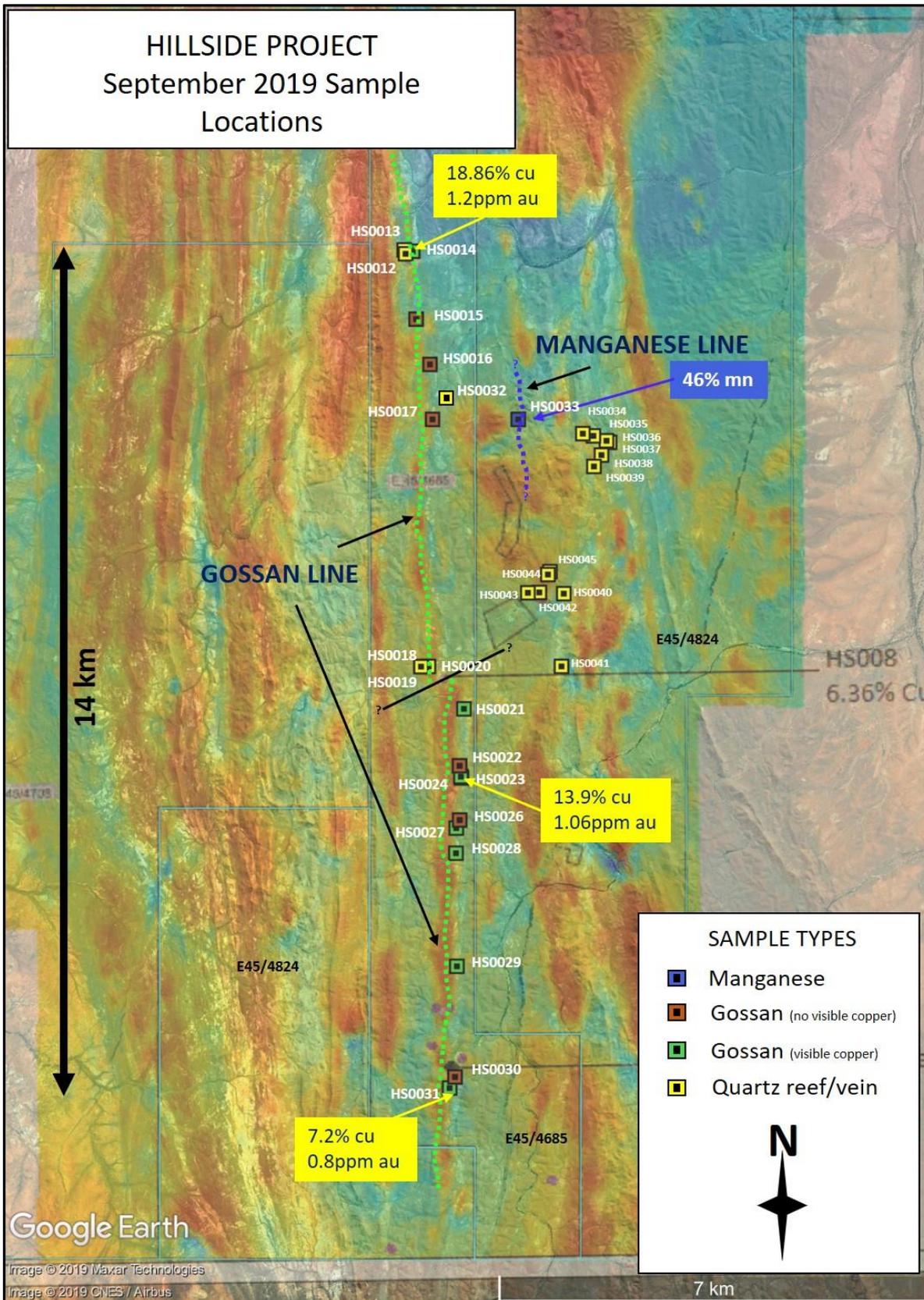


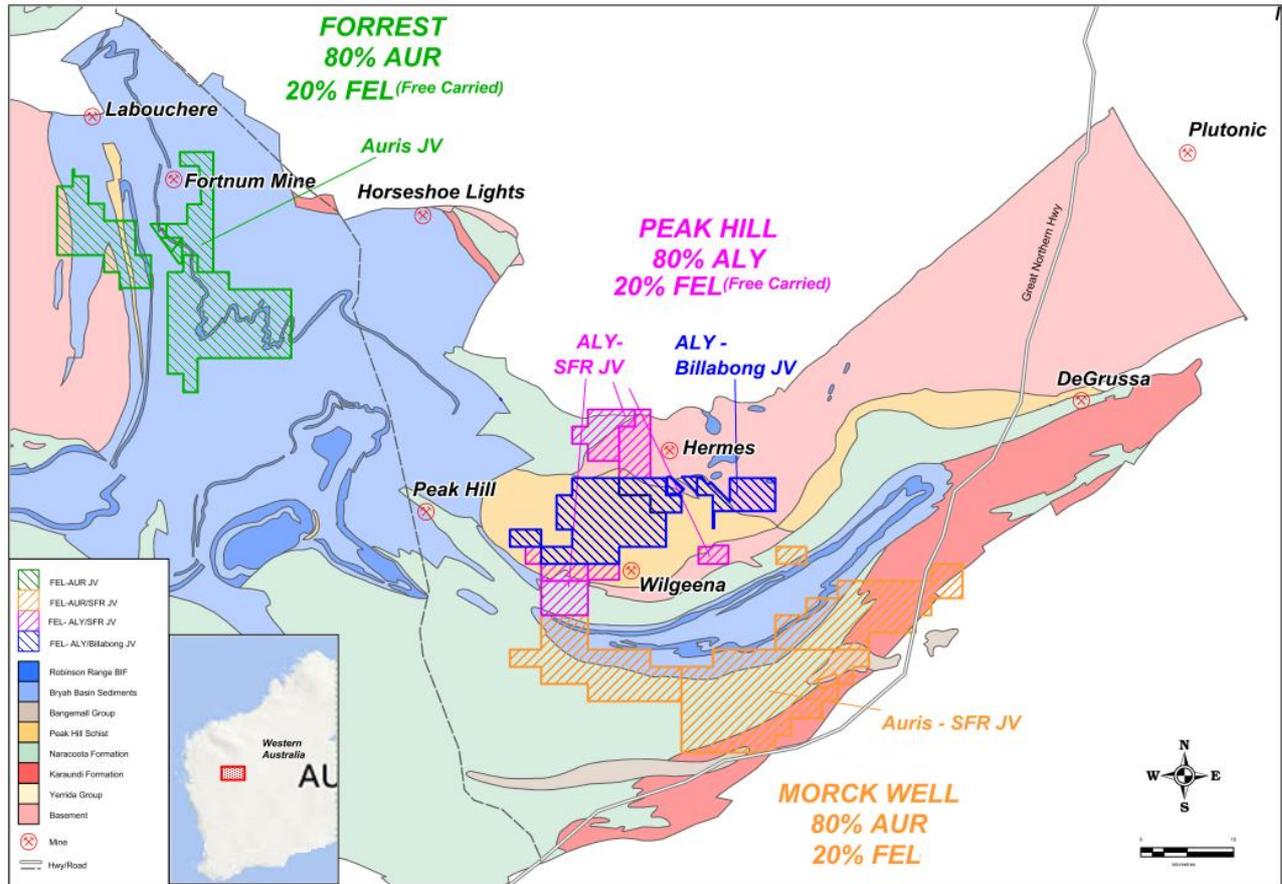
Figure 3: Hillside rock chip results



## Schedule 1:

Tenement	Status	Jurisdiction	Project	Holder	Holder Shares %	Current Area	Area Unit	Expiry Date
E45/4685	LIVE	WA	HILLSIDE	MACL	100	11	SB	11/01/2022
E45/4693	LIVE	WA	INDEE	MACL	100	15	SB	20/11/2022
E45/4702	LIVE	WA	HILLSIDE	MACL	100	41	SB	19/11/2022
E45/4708	LIVE	WA	PANORAMA	MACL	100	27	SB	20/11/2022
E45/4709	LIVE	WA	PANORAMA	MACL	100	22	SB	20/11/2022
E45/4710	LIVE	WA	HILLSIDE	MACL	100	22	SB	19/11/2022
E45/4711	LIVE	WA	HILLSIDE	MACL	100	40	SB	19/11/2022
E45/4732	LIVE	WA	PANORAMA	MACL	100	43	SB	20/11/2022
E45/4735	LIVE	WA	STRELLEY GORGE	MACL	100	5	SB	20/11/2022
E45/4747	LIVE	WA	HILLSIDE	MACL	100	2	SB	20/11/2022
E45/4764	LIVE	WA	MARBLE BAR	MACL	11	4	SB	9/08/2022
E45/4779	LIVE	WA	PANORAMA	MACL	100	33	SB	15/01/2023
E45/4824	LIVE	WA	PANORAMA	MACL	100	65	SB	4/12/2022
E45/4848	LIVE	WA	TAMBOURAH	MACL	100	1	SB	13/12/2022
E46/1114	LIVE	WA	NOREENA DOWNS	MACL	100	35	SB	9/11/2022
E46/1115	LIVE	WA	NOREENA DOWNS	MACL	100	21	SB	9/11/2022
E46/1210	LIVE	WA	NOREENA DOWNS	MACL	100	14	SB	1/07/2023
E45/5324	LIVE	WA	NORTH TAMBOURAH	MACL	100	4	BL	4/04/2024

Figure 4: FEL exploration tenement portfolio in the Bryah Basin showing AUR, ALY, SFR and Billabong JV areas



**Schedule of tenement interests of the Company and its subsidiary entities as at 30 September 2019  
(including details of tenements acquired and disposed of during the quarter)**

Tenement reference	Project & Location	Acquired interest during the quarter	Disposed interest during the quarter	Interest at end of quarter	Notes
E52/1659	Forrest (Milgun) - Western Australia	-	-	20%	1, 2, 3
E52/1668	Peak Hill - Western Australia	-	-	20%	4
E52/1671	Forrest (Milgun) - Western Australia	-	-	20%	1, 2, 3
E52/1678	Peak Hill - Western Australia	-	-	20%	4
E52/1722	Peak Hill - Western Australia	-	-	20%	5
E52/1730	Peak Hill - Western Australia	-	-	20%	4
P52/1538	Peak Hill - Western Australia	-	-	20%	4
P52/1539	Peak Hill - Western Australia	-	-	20%	4
P52/1494	Forrest (Milgun) - Western Australia	-	-	20%	1
P52/1495	Forrest (Milgun) - Western Australia	-	-	20%	1
P52/1496	Forrest (Milgun) - Western Australia	-	-	20%	1
E45/4759	Pippingarra	-	-	100%	
E45/4691	Pippingarra	-	-	100%	
E45/4669	Marble Bar	-	-	100%	
E45/4690	Marble Bar	-	-	100%	
E45/4724	Marble Bar	-	-	100%	
E45/4746	Marble Bar	-	-	100%	
NOTES:					
1	Peak Hill Sale Agreement: Auris Exploration Pty Ltd (AUR - previously known as Grosvenor Gold Pty Ltd) 80% (Operator) and FEL (via Jackson Minerals) 20% in all minerals free carried to decision to mine.				
2	Westgold Resources Limited owns 80% gold rights, Auris Exploration Pty Ltd (Auris)(previously known as Grosvenor Gold Pty Ltd) (Operator) holds 80% interest in all minerals other than gold and FEL (via Jackson Minerals) holds 20% in all minerals free carried to decision to mine.				
3	Westgold Resources Limited has first right of refusal over disposal of AUR 80% interest.				
4	ALY 80% reducing to 10% in all minerals once SFR and Billabong (Operator) earn in under respective JV agreements with ALY. Billabong earning 70% interest in all minerals in part of this tenement and SFR earning 70% in base metals only (excluding Iron Ore) in the remaining tenement area. FEL (via Jackson Minerals) holds 20% in all minerals in the whole of the tenements free carried to decision to mine.				
5	ALY 80% reducing to 10% in all minerals once SFR (Operator) earn in under JV agreement with ALY. SFR earning 70% in base metals only (excluding iron ore) in the whole of the tenement area by sole funding exploration expenditure. FEL (via Jackson Minerals) holds 20% in all minerals free carried to decision to mine.				

The mining tenements with beneficial interest held in farm-in/farm-out agreements at the end of each quarter (including details of beneficial interests acquired and disposed of during the quarter).

Farm-in/out Agreement and Tenement reference	Project & Location	Acquired interest during the quarter	Disposed Interest during the quarter	Interest at end of quarter	Notes
E51/1033-I	Morcks Well	-	-	20%	1, 2, 3
E52/1613-I	Morcks Well	-	-	20%	1, 2, 3
E52/1672-I	Morcks Well	-	-	20%	1, 2, 3
E45/4685	Marble Bar	-	-	-	4
E45/4693	Indee	-	-	-	4
E45/4702	Hillside	-	-	-	4
E45/4708	Panorama	-	-	-	4
E45/4709	Panorama	-	-	-	4
E45/4710	Hillside	-	-	-	4
E45/4711	Hillside	-	-	-	4
E45/4732	Panorama	-	-	-	4
E45/4735	Strelley Gorge	-	-	-	4
E45/4747	Hillside	-	-	-	4
E45/4764	Marble Bar	-	-	-	4
E45/4779	Panorama	-	-	-	4
E45/4824	Panorama	-	-	-	4
E45/4848	Tambourah	-	-	-	4
E45/5324	North Tambourah	-	-	-	4
E46/1114	Noreena Downs	-	-	-	4
E46/1115	Noreena Downs	-	-	-	4
E46/1210	Noreena Downs	-	-	-	4
NOTES:					
1	Peak Hill Sale Agreement: Auris Exploration Pty Ltd (Auris - previously known as Grosvenor Gold Pty Ltd) 80% (Operator) and Jackson Minerals Pty Ltd 20% in all minerals.				
2	Jackson Iron Ore Royalty: Auris Exploration Pty Ltd (Auris) (previously known as Grosvenor Gold Pty Ltd) (Operator) to pay PepinNini Robinson Range Pty Ltd (PRR) a 0.8% gross revenue royalty from the sale or disposal of iron ore. Jackson Minerals Pty Ltd holds 20% in all minerals.				
3	Sandfire Farm-in: Subject to a Farm-in Letter Agreement between SFR, AUR and FEL. If SFR makes a Discovery on the tenements and a JV is formed then the interests in the tenements will be 70% SFR, 24% AUR and 6% FEL. Full details of the agreement are described in the Auris ASX announcement dated 27 February 2018.				
4	Macarthur Lithium Earn-In: Subject to an Option and Earn In Agreement between MLi and FEL. FEL exercised its right to earn in on 27 June 2019. FEL holds the right to acquire an interest of up to 75% in the tenements.				

## 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

Fe Limited

### ABN

31 112 731 638

### Quarter ended ("current quarter")

30 September 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(206)	(206)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(290)	(290)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other:		
Royalty received	241	241
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(254)</b>	<b>(254)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	(20)	(20)
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
(d) other non-current assets	-	-
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 Net cash from / (used in) investing activities</b>	<b>(20)</b>	<b>(20)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	75	75
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	(34)	(34)
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 Net cash from / (used in) financing activities</b>	<b>41</b>	<b>41</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	761	761
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(254)	(254)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(20)	(20)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	41	41

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>528</b>	<b>528</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	528	761
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>528</b>	<b>761</b>

<b>6.</b>	<b>Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to these parties included in item 1.2	48
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Payments included in item 6.1 of \$48,000 relates to payment of director fees.

<b>7.</b>	<b>Payments to related entities of the entity and their associates</b>	<b>Current quarter \$A'000</b>
7.1	Aggregate amount of payments to these parties included in item 1.2	59
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 included in item 7.1 of \$59,184 relates to payments to director-related entities for corporate box sponsorship, reimbursement of travel costs, office occupancy costs and other corporate expenses.

## 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.		
N/A		

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	173
9.2 Development	-
9.3 Production	-
9.4 Staff costs	-
9.5 Administration and corporate costs	138
9.6 Other (provide details if material)	-
<b>9.7 Total estimated cash outflows</b>	<b>311</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	-	-	-	-

**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: 31 October 2019  
(Company secretary)

Print name: Catherine Grant-Edwards

**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.