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## QUARTERLY ACTIVITIES REPORT

for the period ending 30 September 2016

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(All figures are unaudited and in A\$ except unless stated otherwise)

### Key Points

#### Activities

- Commencement of Pre-Feasibility Study (“PFS”) on Phase 1 L-Max® Plant
- Drilling commences at the Lemare Lithium Project in Quebec, Canada
- Exploration Licence (EL 8468) granted for the Euriowie Project near Broken Hill, NSW
- Joint venture established with St-Georges for the Royal Project in Quebec
- Lodgement of Provisional Patent Application for the recovery of caesium/rubidium formate from an intermediate product generated by the L-Max® technology
- Lemare Phase 1 diamond drilling campaign of 16 holes for 1,788m completed early October – assays pending
- Known strike extended to 360m, and open; evidence of a possible pegmatite system

#### Corporate

- All aspects of the business combination with Lepidico Ltd were concluded in July
- Mr Julian “Joe” Walsh appointed to the Board as Managing Director
- Mr Tom Dukovic transitions to Director Exploration
- Mr Mark Rodda appointed to the Board as Non-Executive Director
- Proposed name change to Lepidico Limited
- Cash position as at 30 September 2016 – \$2.98 million and no debt

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### OVERVIEW

Commitment to the PFS for a commercial L-Max® plant of minimum scale to provide an attractive economic return, represents an important milestone for the Company. The study will leverage the substantial body of test-work undertaken over the past two years to develop the metallurgical process, which has produced battery grade lithium carbonate along with a suite of by-products. The PFS will include plant design criteria, optimal plant location, investigation of by-product markets, assessment of feedstock options, logistics, cost estimates, financial analysis and a defined scope for feasibility study evaluation. Ex-mine capital and operating costs estimates are expected in December 2016, while the PFS is scheduled to be completed in the March quarter 2017.

Platypus is evaluating a number of lepidolite and other lithium-mica deposits as potential feedstock for its planned Phase 1 Plant. The PFS work will also be leveraged commercially via the Platypus subsidiary, Lepidico, which has various L-Max® licence and royalty agreements with third parties.

## OPERATIONS

### Pre-Feasibility Study - Phase 1 L-Max<sup>®</sup> Plant

During the quarter, Platypus's wholly owned subsidiary Lepidico Limited ("Lepidico") commenced a PFS to evaluate an L-Max<sup>®</sup> plant of minimum commercial scale to demonstrate the economic and technical viability of L-Max<sup>®</sup>. This has been named the Phase 1 L-Max<sup>®</sup> Plant ("Phase 1 Plant").

The PFS is a key step on the pathway to commercialising the L-Max<sup>®</sup> technology, which has largely transitioned from research to development status. The scope of the PFS includes plant design criteria, optimal plant location, investigation of by-product markets, assessment of feedstock options, logistics, cost estimates, financial analysis and a defined scope for a feasibility study evaluation.

Ex-mine capital and operating costs estimates are expected to be completed around calendar 2016 year end, with the PFS completed in the March 2017 quarter. Assuming a successful outcome, Lepidico will immediately transition to a feasibility study, which it is estimated will be completed in the December 2017 quarter.

#### Phase 1 L-Max<sup>®</sup> Plant

The objective of the PFS is to design a Phase 1 L-Max<sup>®</sup> Plant at sufficient scale to be economically viable at a lithium carbonate price of US\$8,000/t and to prove that L-Max<sup>®</sup> is technically robust under commercial operating conditions. Work undertaken to develop the scope for the PFS has set the following indicative parameters for the Phase 1 L-Max<sup>®</sup> plant:

Parameter	Detail
Throughput Rate	2-4tph (17k to 35k tpa) mica concentrate
Mica Concentrate Feed Grade	1.2% to 1.5% Li (2.6% to 3.5% Li <sub>2</sub> O)
Lithium Carbonate Operating Parameters	2,000-3,000tpa
Potential By-products	Potassium sulphate fertiliser Sodium silicate Caesium/Rubidium formate

*Disclaimer: For the avoidance of doubt the Parameters being investigated as part of the PFS do not constitute a production target or forecast in relation to mineral resources associated with any project owned by the Company. These Parameters have simply been provided so investors can understand the scope of the PFS. The Company cautions investors against using any statements made which may indicate or amount to the reporting of a production target or forecast financial information, as a basis for making any investment decision about shares in the Company.*

#### By-Products

Previously, Lepidico has successfully produced lithium carbonate of more than 99.5% purity from a continuous L-Max<sup>®</sup> mini plant trial (Figure 1). Subsequent to this, Lepidico has also produced a number of by-products from the remnant leach liquor as outlined below.

The ability to produce and sell any of these by-products will even further improve the economics and industry cost competitiveness of L-Max<sup>®</sup>. The PFS will investigate:

- Existing markets including pricing, demand/supply, competitors and customers; and
- Required product specifications and ability for an L-Max<sup>®</sup> Phase 1 Plant to meet these specifications.

By-Product	Indicative Price	Use
Potassium Sulphate Fertiliser	US\$500/t	Preferred fertiliser when soils are saline or sodic or where irrigation water may have high levels of chloride.
Sodium Silicate	US\$200/t	Also known as waterglass – widespread industrial use including adhesives, drilling fluids, concrete treatment and water treatment.
Caesium / Rubidium Formate	US\$25,000/t	Drilling completion fluid used in the oil & gas industry.



**Figure 1.** Lithium carbonate (centre) and other by-products produced from lepidolite concentrate (far left).

Subsequent to the end of the quarter, Lepidico lodged a provisional patent application 2016904071 for the recovery of caesium/rubidium formate from an intermediate product generated by the L-Max® technology.

### Lemare, Quebec, Canada

During the quarter, Lepidico commenced the first phase of a 4,000m diamond drilling program at the Lemare Lithium Project (Figure 2). Subsequent to the end of the quarter, the Phase 1 drilling program was completed, comprising 16 holes for a total of 1,788m. A total of 295 samples have been sent for assay. Results are pending as at the date of this report.

This initial drilling program targeted the known 200m strike of the Lemare spodumene pegmatite and its immediate extensions. Additional mapping and prospecting has also been undertaken to assess the potential for strike continuity as well as the potential for other pegmatite bodies in the immediate vicinity.

The drilling has almost doubled the known strike extent of the spodumene pegmatite with mineralised pegmatite intercepted over a 360m strike, and remaining open in both directions. Additionally, multiple pegmatites were intersected on several sections, suggesting the presence of a pegmatite system at Lemare, as opposed to just a single mineralised pegmatite.

Surface reconnaissance during the quarter identified the extension of the pegmatite approximately 250m further west, again with indications of more pegmatite occurrences in that area.

Full results from this initial drilling program will be reported once assays have been received and all geological data has been collated and evaluated.



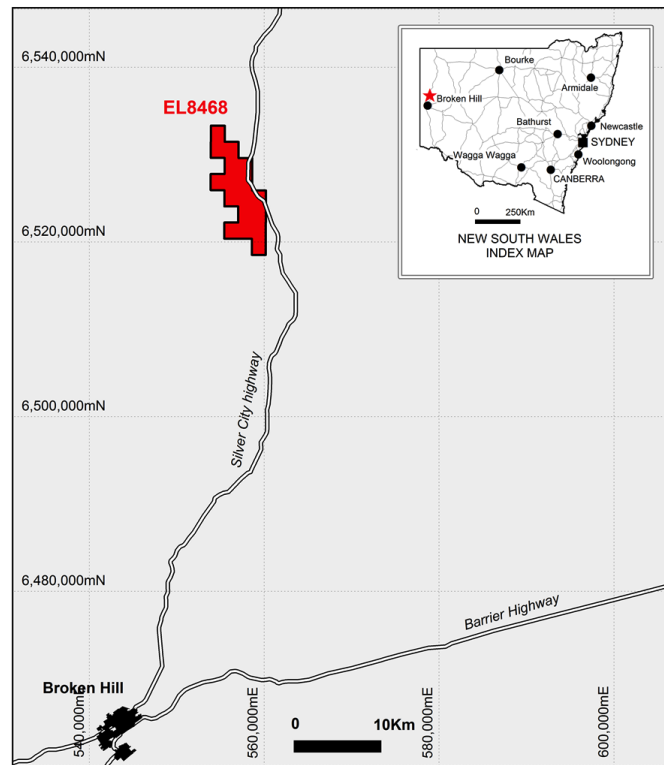
**Figures 2a & b:** Exposed pegmatite with spodumene mineralisation at Lemare (left) and drill core intercepting spodumene (right)

### Euriowie, Broken Hill, NSW

On 26 September 2016, Exploration Licence 8468 for the Euriowie project was granted. The licence consists of 17 units encompassing an area of approximately 49km<sup>2</sup> some 60km north of Broken Hill, NSW (Figure 3). Included within the area are three historical mine workings in amblygonite-rich pegmatites (Figure 4). Amblygonite is a lithium-phosphate mineral which has high lithium content up to 10% Li<sub>2</sub>O.

Euriowie was originally worked for tin in the 1900s by numerous small-scale mines, developed on a series of pegmatite bodies. Historical data notes the occurrence of lithium and tantalum bearing minerals including amblygonite, spodumene and tantalite. Three pegmatites at Euriowie have been identified as prospective for amblygonite – Trident, Sceptre and Lady Don.





**Figure 3: Map for EL8468**

Lepidico has previously lodged a provisional patent application 2016900582 for a metallurgical process to recover lithium from lithium-phosphate minerals such as amblygonite and montebrasite.

Exploration activities for Euriowie are being planned for the December 2016 quarter, including surface mapping and geochemical sampling to ascertain drilling targets.



**Figure 4: Outcropping amblygonite-bearing pegmatite at Euriowie**

## Royal Lithium Project, Quebec, Canada

On 26 July 2016, Platypus announced that it has entered into a Binding Memorandum of Understanding (“Binding MOU”) to acquire the Royal lithium prospect located 30 km north of Val d’Or in Quebec, Canada.

Platypus was initially acquiring Royal in conjunction with Canadian listed St-Georges Platinum and Base Metals Ltd (CSE:SGX) (“St-Georges”) on a 70:30 relative basis.

The Royal prospect comprises 5 contiguous claims, approximately 286 hectares in area and represents a virgin find within a known lithium district, albeit situated only 4 km from the Quebec Lithium Mine.

A preliminary site visit by an independent geologist commissioned by Platypus and St Georges confirmed the presence of lepidolite within pegmatite boulders on the property.

Subsequent to the end of Q1, Platypus, St-Georges and the vendors of Royal renegotiated the terms of the transaction as follows:

- Platypus will no longer earn an interest in Royal directly from the vendors – rather St-Georges will have the option to acquire 100% of the project. As such, Platypus will have no commitments outstanding on this project;
- Platypus, through its subsidiary Lepidico, will grant St-Georges the right to acquire an L-Max® licence for use on the Royal project in exchange for a 10% free carried interest in Royal through to a final investment decision;
- Platypus will have the option to increase its interest in Royal to 50% by paying St-Georges a multiple of its incurred exploration expenditure (1.5x multiple in year 1 and 2.0x multiple thereafter), pro-rata for Platypus’s interest.

The renegotiation of the transaction provides Platypus with ongoing exposure to this lepidolite discovery, while minimising cash expenditure on the project. This allows Platypus to focus its cash and resources on more advanced opportunities.

## **EAST PILBARA POLYMETALLIC PROJECT, WA (E45/3326) (“Gobbos”)**

Results from a drilling program for this project were reported in the 30 June 2016 quarterly report.

With its focus on lithium, Platypus is considering its options with regard to how best to optimise future development of the Gobbos project.

## **CORPORATE**

A number of Board changes occurred during the September 2016 quarter, providing the governance platform to deliver on the Company’s strategy to become a lithium producer by the end of the decade. The enlarged Board of Directors continues to be chaired by Mr Gary Johnson in a non-executive capacity.

On 24 August 2016, Platypus announced that Mr Mark Rodda had joined the Board as a non-executive director. Mark is a lawyer with extensive practical and commercial experience in the resources sector.

On 23 September 2016, Mr Joe Walsh was appointed Managing Director of Platypus. Joe is a resources industry executive and mining engineer with over 25 years of experience.

Concurrent with the appointment of Joe Walsh, Mr Tom Dukovic was appointed to the executive position of Director Exploration after serving the Company as Managing Director for the past thirteen years.

Mr Gavin Becker continues as a member of the Company’s key management personnel in the capacity of General Manager Business Development.

During the quarter, Mr Rocco Tassone resigned from the Board and the Company thanks him for his contribution.

The Company is also proposing to change its name to Lepidico Limited, as included as a shareholder resolution in the Notice of Meeting for the 2016 Annual General Meeting. One of the key assets of the Company is the L-Max® technology. Prior to its acquisition, Lepidico had started to establish a strong brand and is commonly known as the creator and developer of L-Max®. Therefore the Board has decided that it would be sensible to rebrand the Company starting with this suggested name change.

A pro-rata non-renounceable rights issue (of fully paid ordinary shares in the capital of the Company on the basis of 3 new shares for every 5 existing shares held at the record date of 3 June 2016) was completed early in the September quarter raising gross proceeds of \$3.67 million, and \$3.38 million net of fees.

As at 30 September 2016, Platypus's cash position was \$2.98 million and no debt.

On 3 December 2016 a total of 691,729,647 shares that were issued to the "Majority Shareholders" of Lepidico Ltd will come out of voluntary escrow.

*For further information, contact:*

**Joe Walsh**  
**Managing Director**  
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**Tom Dukovic**  
**Director Exploration**  
+61 8 9363 7800

*The information in this report that relates to Exploration Results is based on information compiled by Mr Tom Dukovic, who is an employee of the Company and a member of the Australian Institute of Geoscientists and who has sufficient experience relevant to the styles of mineralisation and the types of deposit under consideration, and to the activity that has been undertaken, 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." Mr Dukovic consents to the inclusion in this report of information compiled by him in the form and context in which it appears.*

## CORPORATE INFORMATION

### Board

Gary Johnson	Non-Executive Chairman
Joe Walsh	Managing Director
Tom Dukovic	Director Exploration
Mark Rodda	Non-Executive Director

Paul McQuillan	Joint Company Secretary
Alex Neuling	Joint Company Secretary

### Registered & Principal Office

Level 1, 254 Railway Parade West Leederville WA 6007

### Stock Exchange Listings

Australian Securities Exchange (Ticker PLP)  
Frankfurt Stock Exchange (Ticker AUB)

### Forward Shareholder Enquiries to

Security Transfers Registrars Pty Ltd  
770 Canning Highway  
Applecross WA 6153  
Telephone +61 (0) 8 9315 2333  
Email [registrar@securitytransfer.com.au](mailto:registrar@securitytransfer.com.au)  
Website [www.securitytransfer.com.au](http://www.securitytransfer.com.au)

### Substantial Shareholder(s) as at 30 September 2016

Strategic Metallurgy Pty Ltd	14.66%
Potash West Ltd	5.61%

### Issued Share Capital

As at 30 September 2016, issued capital was 1,750,458,712

### Quarterly Share Price Activity

	High	Low	Close
July – September 2016	1.9c	1.2c	1.6c



## TENEMENT INFORMATION (Listing Rule 5.3.3)

The below table of interests in tenements held by the Company and its controlled entities is provided in accordance with ASX Listing Rule 5.3.3.

### AUSTRALIAN OPERATIONS

Held by the Company

Project/ Tenement ID	Location	Interest at end of Quarter	Acquired during Quarter	Disposed during Quarter
<b>Euriowie (EL 8468)</b>	Broken Hill, NSW-	100%	100%	-

Farm-in Agreements

Project/ Tenement ID	Location	Interest at end of Quarter	Acquired during Quarter	Disposed during Quarter
<b>Gobbos (E45/3326)</b> Farm-in agreement with holder Gondwana Resources Ltd	East Pilbara, WA	Nil; earning 75%	Nil; earning 75%	-

### CANADIAN OPERATIONS

Farm-in Agreement with Critical Elements Corporation: Earning up to 75%

Sheet	Claim No.	Expiry Date	Area (ha.)	Sheet	Claim No.	Expiry Date	Area (ha.)
32014 CDC	2099284	3-Jul-17	53.31	32014 CDC	2003034	21-Mar-18	53.3
32014 CDC	2099285	3-Jul-17	53.31	32014 CDC	2003035	21-Mar-18	53.3
32014 CDC	2099286	3-Jul-17	53.31	32014 CDC	2003036	21-Mar-18	53.3
32014 CDC	2099289	3-Jul-17	53.3	32014 CDC	2003037	21-Mar-18	53.29
32014 CDC	2099290	3-Jul-17	53.3	32014 CDC	2003038	21-Mar-18	53.29
32014 CDC	2099291	3-Jul-17	53.3	32014 CDC	2003039	21-Mar-18	53.29
32014 CDC	2099292	3-Jul-17	53.3	32014 CDC	2003040	21-Mar-18	53.27
32014 CDC	2099293	3-Jul-17	53.3	32014 CDC	2003041	21-Mar-18	53.27
32014 CDC	2099294	3-Jul-17	53.29	32014 CDC	2003042	21-Mar-18	53.27
32014 CDC	2099295	3-Jul-17	53.29	32014 CDC	2003043	21-Mar-18	53.27
32014 CDC	2099296	3-Jul-17	53.29	32014 CDC	2003044	21-Mar-18	53.27
32014 CDC	2099297	3-Jul-17	53.29	32014 CDC	2003045	21-Mar-18	53.26
32014 CDC	2099298	3-Jul-17	53.29	32014 CDC	2003046	21-Mar-18	53.26
32014 CDC	2099299	3-Jul-17	53.29	32014 CDC	2003047	21-Mar-18	53.26
32014 CDC	2099300	3-Jul-17	53.28	32014 CDC	2003049	21-Mar-18	53.28
32014 CDC	2099301	3-Jul-17	53.28	32014 CDC	2003050	21-Mar-18	53.28
32014 CDC	2099302	3-Jul-17	53.28	32014 CDC	2003051	21-Mar-18	53.28
32014 CDC	2099303	3-Jul-17	53.28	32014 CDC	2003052	21-Mar-18	44.71
32014 CDC	2099304	3-Jul-17	53.28	32014 CDC	2003053	21-Mar-18	44.61
32014 CDC	2099305	3-Jul-17	53.28	32014 CDC	2003054	21-Mar-18	44.51
32014 CDC	2099306	3-Jul-17	53.28	32014 CDC	2003055	21-Mar-18	44.42
32014 CDC	2099307	3-Jul-17	53.27	32014 CDC	2003056	21-Mar-18	53.29
32014 CDC	2099308	3-Jul-17	53.27	32014 CDC	2003057	21-Mar-18	53.3
32014 CDC	2099309	3-Jul-17	53.27	32014 CDC	2003587	23-Mar-18	53.27
32014 CDC	2099310	3-Jul-17	53.27	32011 CDC	2004630	30-Mar-18	53.32
32014 CDC	2099311	3-Jul-17	53.27	32011 CDC	2004631	30-Mar-18	53.32
32014 CDC	2099312	3-Jul-17	53.27	32011 CDC	2004632	30-Mar-18	53.32
32014 CDC	2099313	3-Jul-17	53.27	32011 CDC	2004633	30-Mar-18	53.32
32014 CDC	2099314	3-Jul-17	53.27	32011 CDC	2004634	30-Mar-18	53.32
32012 CDC	2107873	18-Jul-17	53.39	32011 CDC	2004635	30-Mar-18	25.46
32012 CDC	2107875	18-Jul-17	53.39	32011 CDC	2004636	30-Mar-18	51.58
32012 CDC	2107877	18-Jul-17	53.39	32011 CDC	2004637	30-Mar-18	26.74
32012 CDC	2107881	18-Jul-17	53.38	32011 CDC	2004639	30-Mar-18	27.42
32012 CDC	2107883	18-Jul-17	53.38	32011 CDC	2234284	17-May-18	53.38
32012 CDC	2107885	18-Jul-17	53.38	32012 CDC	2158840	4-Jun-18	50.41
32012 CDC	2107887	18-Jul-17	53.38	32014 CDC	2160050	8-Jun-18	44.33
32012 CDC	2107890	18-Jul-17	53.38	32014 CDC	2160051	8-Jun-18	44.24
32012 CDC	2107894	18-Jul-17	37.89	32014 CDC	2160052	8-Jun-18	46.67
32012 CDC	2107895	18-Jul-17	52.67	32014 CDC	2160053	8-Jun-18	30.08
32012 CDC	2308539	18-Aug-17	53.4	32014 CDC	2160057	8-Jun-18	53.27
32012 CDC	2308540	18-Aug-17	53.39	32014 CDC	2160058	8-Jun-18	20.03

Sheet	Claim No.	Expiry Date	Area (ha.)	Sheet	Claim No.	Expiry Date	Area (ha.)
32012 CDC	2308541	18-Aug-17	53.39	32014 CDC	2160065	8-Jun-18	53.26
32012 CDC	2119927	30-Aug-17	53.4	32014 CDC	2160066	8-Jun-18	9.99
32012 CDC	2119929	30-Aug-17	53.39	32011 CDC	2160090	8-Jun-18	53.37
32012 CDC	2119930	30-Aug-17	53.39	32011 CDC	2160097	8-Jun-18	53.36
32014 CDC	2120984	11-Sep-17	53.29	32011 CDC	2160098	8-Jun-18	53.36
32014 CDC	2120989	11-Sep-17	53.28	32011 CDC	2160099	8-Jun-18	53.36
32014 CDC	2121343	13-Sep-17	53.3	32011 CDC	2160104	8-Jun-18	53.35
32014 CDC	2121344	13-Sep-17	53.3	32011 CDC	2160105	8-Jun-18	53.35
32014 CDC	2121346	13-Sep-17	53.29	32011 CDC	2160110	8-Jun-18	13.87
32014 CDC	2121347	13-Sep-17	53.29	32011 CDC	2160111	8-Jun-18	45.73
32012 CDC	2317957	13-Oct-17	25.01	32011 CDC	2160112	8-Jun-18	53.34
32012 CDC	2317958	13-Oct-17	45.15	32011 CDC	2160113	8-Jun-18	53.34
32011 CDC	2139598	11-Dec-17	53.37	32011 CDC	2160114	8-Jun-18	53.34
32011 CDC	2139599	11-Dec-17	53.37	32011 CDC	2160120	8-Jun-18	7.84
32011 CDC	2139600	11-Dec-17	53.37	32011 CDC	2160123	8-Jun-18	1.82
32012 CDC	2139618	11-Dec-17	53.37	32011 CDC	2160124	8-Jun-18	28.94
32012 CDC	2139619	11-Dec-17	53.37	32011 CDC	2160125	8-Jun-18	52.68
32012 CDC	2139620	11-Dec-17	53.37	32011 CDC	2160126	8-Jun-18	53.33
32012 CDC	101661	12-Dec-17	0.1	32011 CDC	2160600	10-Jun-18	1.06
32012 CDC	101662	12-Dec-17	12.11	32011 CDC	2160601	10-Jun-18	11.49
32012 CDC	101663	12-Dec-17	32.33	32011 CDC	2160602	10-Jun-18	44.51
32012 CDC	101667	12-Dec-17	5.47	32011 CDC	2160603	10-Jun-18	53.32
32012 CDC	103376	12-Dec-17	2.13	32011 CDC	2160604	10-Jun-18	53.32
32011 CDC	103379	12-Dec-17	9.32	32011 CDC	2160605	10-Jun-18	53.32
32011 CDC	103381	12-Dec-17	53.34	32011 CDC	2160606	10-Jun-18	53.32
32011 CDC	103382	12-Dec-17	53.34	32014 CDC	2160610	10-Jun-18	53.31
32012 CDC	2141610	23-Jan-18	53.41	32014 CDC	2160611	10-Jun-18	53.31
32012 CDC	2141611	23-Jan-18	53.41	32014 CDC	2160612	10-Jun-18	53.31
32012 CDC	2142017	23-Jan-18	53.41	32014 CDC	2160613	10-Jun-18	44.51
32014 CDC	2002394	8-Mar-18	53.31	32014 CDC	2160614	10-Jun-18	44.71
32014 CDC	2003026	21-Mar-18	53.31	32014 CDC	2160615	10-Jun-18	44.91
32014 CDC	2003027	21-Mar-18	53.31	32014 CDC	2160616	10-Jun-18	45.11
32014 CDC	2003028	21-Mar-18	53.31	32014 CDC	2160617	10-Jun-18	45.3
32014 CDC	2003029	21-Mar-18	53.31	32014 CDC	2160618	10-Jun-18	45.48
32014 CDC	2003030	21-Mar-18	53.31	32014 CDC	2160619	10-Jun-18	47.67
32014 CDC	2003031	21-Mar-18	53.31	32014 CDC	2160621	10-Jun-18	14.23
32014 CDC	2003032	21-Mar-18	53.3	32014 CDC	2160625	10-Jun-18	14.48
32014 CDC	2003033	21-Mar-18	53.3	32014 CDC	2160626	10-Jun-18	23.64

## 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

Platypus Minerals Ltd

### ABN

99 008 894 442

### Quarter ended ("current quarter")

30-SEPT-16

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	32	32
1.2 Payments for		
(a) exploration & evaluation	(556)	(556)
(b) development	(150)	(150)
(c) production	-	-
(d) staff costs	(77)	(77)
(e) administration and corporate costs	(267)	(267)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(23)	(23)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,041)</b>	<b>(1,041)</b>

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

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

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	3,684	3,684
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	(305)	(305)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>3,379</b>	<b>3,379</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	640	640
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,041)	(1,041)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,379	3,379
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>2,978</b>	<b>2,978</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	2,961	623
5.2 Call deposits	17	17
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,978</b>	<b>640</b>

**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

**Current quarter  
\$A'000**

312

-

Salaries; \$82,000;  
Directors Fees; \$36,000;  
Payments to Director Related Entities; corporate advisory 44,000; development \$150,000.

**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

**Current quarter  
\$A'000**

-

-

## Mining exploration entity and oil and gas exploration entity quarterly report

8.	<b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9.	<b>Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1	Exploration and evaluation	250
9.2	Development	100
9.3	Production	-
9.4	Staff costs	80
9.5	Administration and corporate costs	220
9.6	Other (provide details if material)	-
9.7	<b>Total estimated cash outflows</b>	<b>650</b>

10.	<b>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	EL4868 Euriowie NSW	Granted tenement	100% (application)	100% (Granted)



**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: .....  
(Director/Company secretary)

Date: ...25/10/2016.....

Print name: ...Paul McQuillan.....

**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.