



Altech Chemicals
Limited

QUARTERLY REPORT

September 2017

HIGHLIGHTS

Works Approval granted for Meckering kaolin deposit

- Works Approval granted by WA Department of Water and Environmental Regulation (DWER)
 - Construction of kaolin screening and loading facility at Meckering approved
 - Works include ROM stockpile, evaporation pond, trommel screening unit, and loading facility
- Meckering kaolin mining also fully permitted to proceed, subject to funding

Export credit finance approval target date set

- Successful independent project finance due diligence program completed with no fatal flaws identified
- Target date of 14 December 2017 set for decision making by German government inter-ministerial committee (IMC) for German ECA cover approval
- Expert Opinion report for Euler Hermes (German ECA)
- Target date a significant milestone for the development of the HPA project

Option to purchase Meckering mining lease land exercised

- Option to purchase Meckering freehold land over Altech's granted mining lease M70/1334 exercised
- Construction of Meckering kaolin mine, screening and loading facility fully permitted

Altech finalises 4,500tpa HPA plant design

- Upgraded 4,500tpa capacity HPA plant design
- Plant process flow sheet optimised and finalised
- Flexible finishing line capable of producing sapphire grade and battery grade HPA

Positive Final Investment Decision Study (FIDS)

- Positive outcome from Final Investment Decision Study (FIDS) for 4,500tpa HPA project
- Study economics include:
 - Pre-tax NPV^{7.5} US\$ 505 million
 - Internal Rate of Return (IRR) 22%
 - Payback (full rate) 3.9 years
 - EBITDA US\$ 76 million p.a.
 - Capital cost US\$ 298 million
- Total target debt by KfW IPEX-Bank US\$ 185 million
- US\$ 165 million export credit finance, US\$ 20 million at commercial terms

Successful A\$17 million share placement

- US\$4.0 million (~A\$5.1 million) commitment from German engineering firm SMS group
- A\$3.0 million commitment from Melewar Group
- Significant demonstration of confidence in Altech and its HPA project

Works Approval granted for Meckering kaolin deposit

On 25 August 2017 the Company's Works Approval application for a proposed kaolin screening and loading facility at the Meckering kaolin deposit (M70/1334) was granted by the Western Australian (WA) Department of Water and Environmental Regulation (DWER).

The works approval permits the construction of the proposed kaolin screening and loading facility infrastructure, which will be located adjacent to the proposed Run of Mine (ROM) stockpile at the Meckering kaolin deposit.

The Company's Meckering kaolin deposit is positioned within Altech's granted mining lease (M70/1334), which is approximately 86 hectares in size.

The mining lease is situated over private freehold farmland, approximately 140km east of Perth and 8km south-east of the wheatbelt town of Meckering, Western Australia.

At Meckering, mined kaolin ore will be screened to a size of <12mm via a trommel screening unit. The <12mm screened ore will proceed to a housed container loading facility, where it will be fed into standard 20-foot shipping containers via a telescopic container feed conveyor. Once loaded, the shipping containers will be transported by road to the port of Fremantle, for shipment to Johor, Malaysia, which is the location of Altech's proposed HPA processing plant.

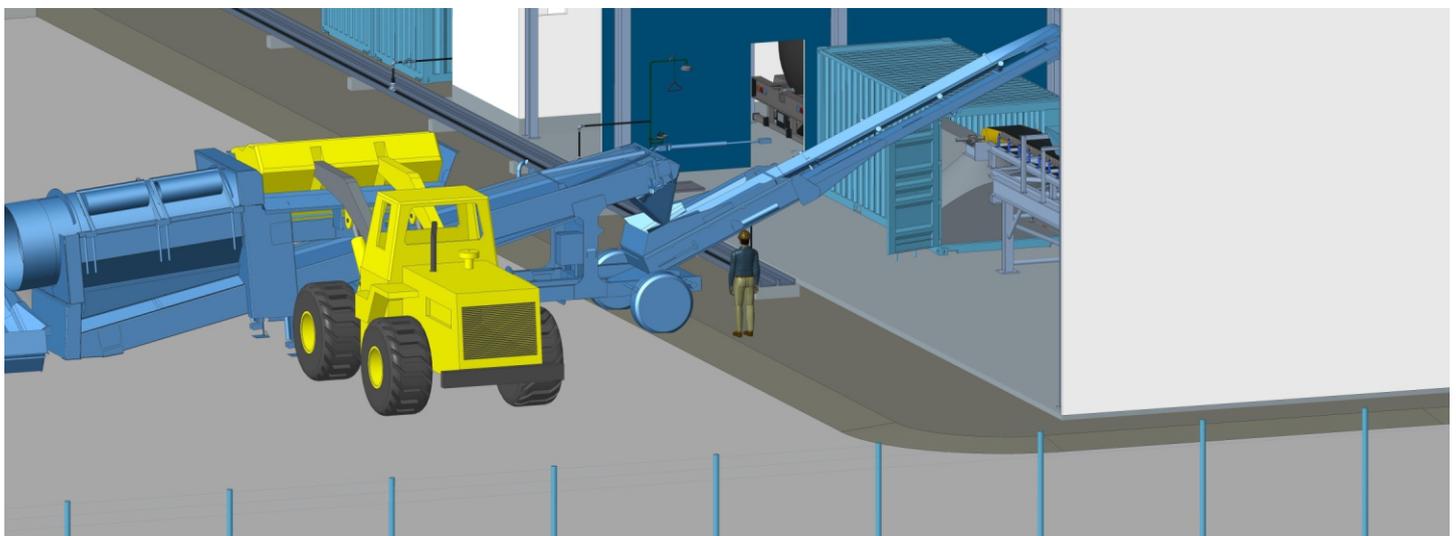
All WA local and state government statutory approvals required for the commencement of the Meckering kaolin mining, screening and loading operation have been successfully obtained. This means that construction and mining activities at the Company's mining lease are authorised to commence.

Option to purchase Meckering mining lease land exercised

Subsequent to quarter end the Company announced that it had exercised its option to purchase the ~94 hectares of land at Meckering, Western Australia within which its granted and fully permitted kaolin mining lease (M70/1334) lies.

Kaolin ore from M70/1334 will provide feedstock for the Company's proposed Malaysian HPA plant. At Meckering, the Company is planning to mine approximately 140,000 tonnes of kaolin in two-month campaigns, once every three years. The alumina-rich kaolin ore will be stockpiled on the ROM stockpile on site, then screened and loaded into standard 20ft shipping containers at the rate of approximately 43,500tpa for transport by road to the port of Fremantle, Western Australia; then shipped weekly to Malaysia.

Managing director Mr Iggy Tan said, *"The exercise of Altech's option to purchase the land over mining lease M70/1334 is another important milestone in advancing our HPA project; Meckering is now fully permitted for construction. Development of the kaolin screening and loading facility then initial mining can proceed upon finalising of project finance."*



Export credit finance approval target date set

During the quarter the Company announced the setting of a target date of 14 December 2017 for the final decision by the German government inter-ministerial committee (IMC) of Altech's application for export credit project finance cover (ECA cover).

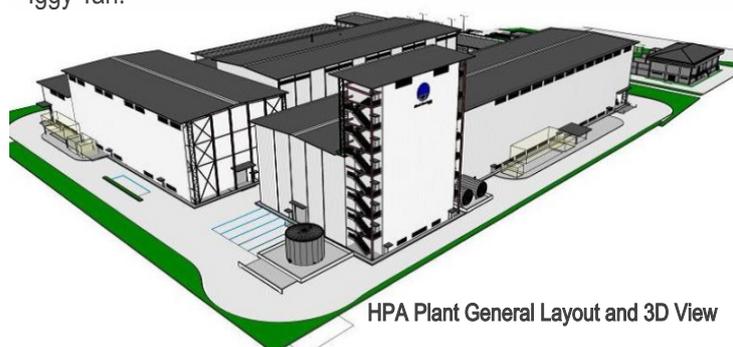
A positive decision of the ECA application will result in the award of a legally binding offer of cover by the Federal Republic of Germany for the majority of the debt portion of funding required for Altech's HPA project. The offer of cover and a separate bank approval on an acceptable basis to Altech would position the Company to proceed to securing the project equity.

The setting of the ECA cover target date marked the successful conclusion of extensive independent project due diligence. All due diligence consultants committed to submit final reports to the expert opinion consultant by mid-October 2017, which will enable the submission of the expert opinion report by 9 November 2017.

In response to test work findings during the due diligence program, superior lining materials have been incorporated for equipment used at the back-end of the plant (after roasting) to minimise contamination risk.

"The setting of the target date for German government export credit project finance cover is the outcome of hard work by the various contributing teams focused on securing project debt financing for the Company's HPA project.

"The successful conclusion of project due diligence and the no fatal flaws finding all bodes well for a positive ECA application assessment. Altech's project team and our partners have an intense six week period ahead, as we work to finalise all project information ready for submission of the expert opinion report and the application for ECA cover", said managing director Iggy Tan.



HPA Plant General Layout and 3D View



Representatives from KfW IPEX-Bank, Euler Hermes, SMS and Altech's board in Dusseldorf, Germany

Altech finalises 4,500tpa HPA plant design

Subsequent to quarter end the Company finalised the design for the upgrade in capacity of its proposed Malaysian HPA plant from 4,000 to 4,500 tonnes per annum (tpa).

Working in conjunction with its appointed German EPC contractor SMS group GmbH (SMS), Altech completed optimisation of the plant process flow sheet. The majority of the changes related to the finishing section of the proposed HPA plant with the introduction of a flexible finished product line capable of producing HPA for both the synthetic sapphire industry (up to 4,500tpa of high density pellets) and the lithium-ion battery industry (up to 1,500tpa of powder at sub-micron particle size). Maximum plant output is designed at 4,500tpa with flexibility to balance the finished product mix.

The flexible product finishing line is designed to initially grind all HPA to an average particle size of less than 1 micron by wet milling using bead mills. Upon the milled HPA achieving the designated particle size range it will be dried via a conventional spray drier. The finely ground, dried HPA will then be aggregated in beads for heat treatment in a tunnel kiln; the finished product being HPA beads for use in the synthetic sapphire industry. Alternatively, the finely ground HPA will be fed to a de-agglomeration unit (microniser) to produce fine HPA powder for use in the lithium-ion battery industry. Both products will be bagged via an automated bagging machine.

Altech finalises 4,500tpa HPA plant design (continued)

Sapphire Grade 4N HPA

Altech's proposed synthetic sapphire grade HPA product is 4N (99.99%) high purity alumina (Al_2O_3) in the form of high-density beads of around 3-4mm each in size. The higher bulk density of HPA beads (versus HPA in powder form) is preferred by synthetic sapphire manufacturers as it maximises the amount of HPA that can be placed into the furnaces and kilns used in the production of synthetic sapphire boules. The target loose bulk density of Altech's high-density beads is around $2.2t/m^3$.



SAPPHIRE GRADE SPEC

Alumina	Al_2O_3	>99.99%
Silica	Si	<20ppm
Sodium	Na	<10ppm
Magnesium	Mg	<10ppm
Calcium	Ca	<10ppm
Iron	Fe	<10ppm
Copper	Cu	<10ppm
Crystal Structure		alpha
Bulk Density*	t/m^3	2.2

*Dry Basis(1100°C)

Lithium-ion Battery Grade 4N HPA

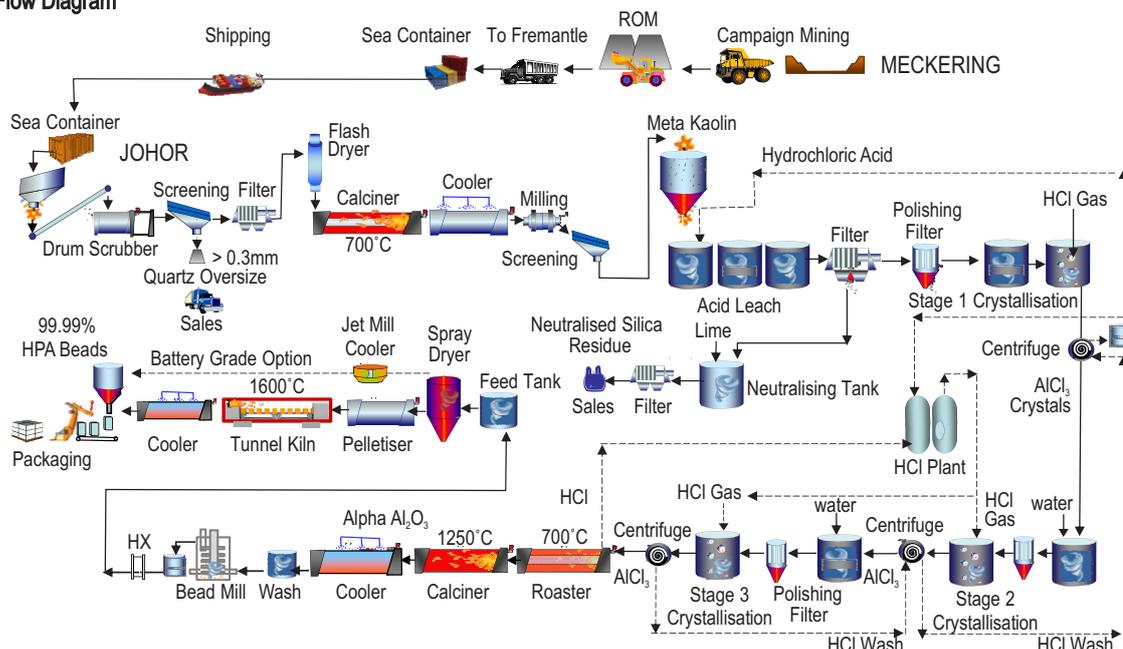
The finishing line of Altech's proposed HPA plant has been designed to produce ultra-fine HPA used in the lithium-ion battery sector. Electric vehicle manufacturers are increasingly demanding lithium-ion batteries with separator sheets coated with 99.99% (4N) HPA. The particle size of HPA used as the coating for this application is ultra-fine; less than 1 micron.



LITHIUM-ION BATTERY GRADE

Alumina	Al_2O_3	>99.99%
Silica	Si	<20ppm
Sodium	Na	<10ppm
Magnesium	Mg	<10ppm
Calcium	Ca	<10ppm
Iron	Fe	<10ppm
Copper	Cu	<10ppm
Crystal Structure		alpha
Particle Size	micron	<1.0

Process Flow Diagram



Positive Final Investment Decision Study (FIDS)

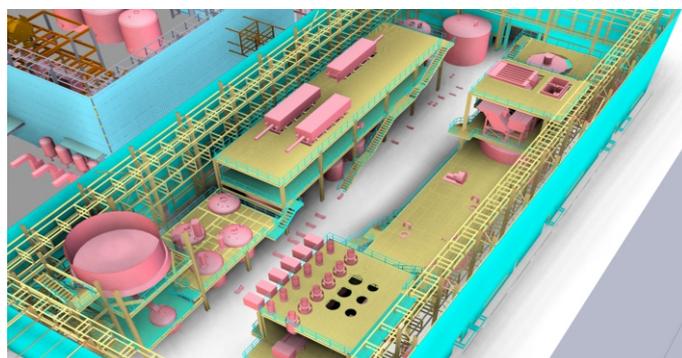
On 23 October 2017 the Company announced the positive results from a Final Investment Decision Study (FIDS) for the development of a 4,500tpa HPA plant at Johor, Malaysia and kaolin mine at Meckering, Western Australia. The FIDS includes and considers:

- Significant detailed design and engineering work;
- Final EPC fixed contract values for both Johor and Meckering;
- Updated operating costs;
- Status of permitting and financing due diligence;
- HPA market analysis of potential product sales and revenue;
- Financial analysis and scenario modelling.

With the HPA plant capacity increased to 4,500tpa (from 4,000tpa) assumptions for operating costs, HPA selling price, production ramp-up, exchange rates, total envisaged debt and the expected German government export credit finance amount were updated in the FIDS to reflect current conditions and outlooks.

Altech's management team successfully progressed the HPA project through the extensive lender due diligence program with extremely positive results as detailed in the FIDS. Whilst the due diligence program took longer than expected and resulted in additional capital cost, the project is significantly de-risked as a result.

The financial metrics from the FIDS are extremely robust. Project Net Present Value (NPV) is US\$ 505.6 million at a discount rate of 7.5%, payback (at full rate) is 3.9 years and annual EBITDA is US\$ 75.7 million at full production. The internal rate of return (IRR) is 21.9% with a gross margin on sales of 63%. The Company's weighted cost of capital (WACC) was recalculated taking into account the higher planned debt and assumed interest, debt mix, and total project costs; reflected as the discount rate of 7.5% used in the 30-year discounted cash flow model for the FIDS. The beta used in the calculation is 0.83.



The HPA price assumption used in the FIDS is based on an independently supplied forward HPA price curve from Persistence Market Research (Persistence). The HPA price used in the FIDS project financial model is US\$ 33.72/kg in year 1, reducing to US\$ 26.18/kg in year 9 and maintained at this level until year 30. This results in a weighted average HPA price of US\$26.90/kg over the 30-year project life. In its market report Persistence noted that the current market price of HPA in Japan is around US\$ 40/kg; in this context the 30-year average HPA price of US\$ 26.90/kg from the FIDS financial model is conservative. If the HPA price of US\$ 40/kg was applied to the FIDS financial model (High Case), the project financial metrics would be: NPV of approximately US\$ 1.09 billion, payback (at full rate) of 2.2 years, annual EBITDA of around US\$ 133 million at full production and an internal rate of return of 33%.

Financial Evaluation

KfW IPEX-Bank's technical consultants have reviewed the FIDS' capital and operating costs and confirmed the figures to be economical. Operating costs forecast at US\$ 44.6 million p.a. at full production with a cost of goods sold of US\$ 9.90/kg.

FIDS Key Assumptions

4,500tpa HPA Project	Assumption
Project Life	30 years
Annual HPA production	4,500tpa
HPA sale price (avg.)	US\$26.9/kg
HPA production cost	US\$ 9.90/kg
Gross Margin %	63%
Construction period	24 months
Production ramp-up	3 years
Corporate Costs	US\$7.7 million
Total Project debt target	US\$185 million
ECA covered debt target	US\$165 million

Positive Final Investment Decision Study (FIDS) (continued)

Project Debt Finance

German government-owned KfW IPEX-Bank proposed a revised total target debt package of US\$ 185 million and is aiming to obtain debt approval as sole debt provider. This is subject to the sourcing split and eligibility for German government export credit cover (ECA cover) of up to US\$ 165 million. The ECA cover loan is targeted as long tenure and on attractive terms. The balance of US\$ 20 million will be a 5-year tenure loan at customary lending terms.

A positive decision from the IMC will result in a legally binding offer of cover by the Federal Republic of Germany to KfW IPEX-Bank and permit KfW IPEX-Bank to finance the project debt package of a total US\$ 185 million, consisting of US\$ 165 million covered debt and US\$ 20 million commercial debt.

Based on the FIDS results, the Altech board resolved to proceed to the next stage, the ECA application process. Assuming that the ECA debt component is approved in December 2017 following the IMC meeting, the Company will focus on finalising the equity component of funding in the first half of 2018.

FIDS FINANCIAL METRICS (Equity Model)
High case (current market price)

4,500tpa HPA project (US\$)	FIDS Avg. price US\$27/kg	High Case price US\$40/kg
Project Capital Costs	297.6	293.6
Revenue p.a.	120.3	180.0
Operating Costs p.a.	44.6	46.9
EBITDA p.a.	75.7	132.7
Net Present Value (@7.5%)	505.6	1,087
Payback (incl. ramp-up)	4.5 years	3.3 years
Payback at full production	3.9 years	2.2 years
Internal Rate of Return (IRR)	21.9%	32.9%
NPV/Capex Ratio	1.70	3.66
Project Life	30 years	30 years
Annual HPA Production	4,500tpa	4,500tpa
HPA Production Costs	US\$ 9.90/kg	US\$ 10.5/kg
Long term HPA Sale Price (Avg)	US\$ 26.9/kg	US\$ 40.0/kg
Gross Margin on Sales	63%	74%
USD:AUD	0.75	0.75
Construction Period	24 months	24 months
Production Ramp-up	3 years	3 years
Corporate Costs	US\$ 7.7 million	US\$ 7.7 million
Target Total Project Debt	US\$ 185 million	US\$ 185 million
Target ECA Covered Debt	US\$ 165 million	US\$ 165 million

Summary of key financial outputs from the FIDS Financial Model

	US Dollars	
HPA Production	4,500	tonnes
Exchange Rate	0.75	USD/A\$
Capex Exchange Rate	0.75	USD/A\$
Project Capex	\$297.6	million
Corporate Costs	\$7.7	million
Opex p.a.	\$44.6	million
NPV	\$505.6	million
Discount Rate	7.5%	
Payback (incl construction)	4.5	years
Payback (at full rate)	3.9	years
IRR (full rate)	21.8%	
Revenue p.a.	\$120.3	million
Costs p.a.	\$44.6	million
EBITDA p.a.	\$75.7	million
HPA Selling Price	\$26.90	per kg
Cost of production	\$9.90	per kg
Margin %	63%	
Margin \$/kg	\$17.15	per kg

Altech's managing director Mr Iggy Tan said, "The FIDS has confirmed the financial and technical robustness of the Company's HPA project. The focus for Altech over the next few months is to continue to work closely with KfW IPEX-Bank and the appointed independent expert consultant to prepare for the IMC meeting in December 2017.

"A positive outcome will mean we attain the US\$165 million "offer of cover" for the majority of the project debt and as the bank approvals process will run in parallel, the total target debt amount of US\$ 185 million".



Successful A\$17million share placement

Subsequent to quarter end the Company received commitments to raise \$17.2 million (before costs) through the placement of approximately 122.9 million fully paid ordinary shares at an issue price of \$0.14 per share (the Placement) to continue the development of its HPA project.

The Placement was corner-stoned by German engineering firm SMS group GmbH (SMS) with a US\$4.0 million (A\$5.1 million) commitment, and an A\$3.0 million commitment from entities associated with Altech non-executive director Tunku Yaacob Khyra (Melewar Group).

The issue price of \$0.14 per share represents a 17% discount to the 15-day volume weighted average price (VWAP) of the Company's shares as traded on the ASX to the close of trade on Friday, 20 October 2017.

The issue of Placement shares to Melewar Group and SMS is subject to shareholder approval at the Company's annual general meeting (AGM) scheduled for Thursday, 30 November 2017. All other Placement shares will be issued from the Company's share placement capacity under ASX Listing Rules 7.1 (44,118,337 shares) and 7.1A. (21,824,224 shares).

Proceeds from the Placement will be used to continue the development of the Company's HPA project. This will include payments for land at Meckering, Western Australia and Johor, Malaysia; detailed engineering design; working capital and general corporate purposes.

Altech managing director Mr Iggy Tan said, "*The Company very much welcomes the direct investment by SMS in Altech; it strongly demonstrates their commitment and confidence as EPC contractor to the project.*"

"The ongoing support of Melewar Group is equally important; the group has supported the Company since 2015 and is a strong believer of our HPA project and the construction of the HPA plant in Malaysia."

"The Placement leaves us well capitalised to complete the optimal funding arrangements for the HPA project in 2018", he said.



Corporate

Altech launches German-language website

Since the dual listing of Altech shares on the Frankfurt Stock Exchange (refer to ASX announcement dated 4 April 2017), the Company's online news and editorial coverage has attracted an increasing European-based readership. To cater to the growing audience, the Company launched a German-language version of its website www.altechchemicals.com.

The German website is accessible via the following URL: www.altechchemicals.com/de

Change of share registry

From 7 August 2017 the Company's provider for shareholder registry services changed from Security Transfer Australia Pty Ltd to Automic Registry Services (Automic). Shareholders that are not yet registered with Automic can sign-up to the Investor Portal via <https://investor.automic.com.au>.

Automic Registry Services can be contacted via e-mail: hello@automic.com.au and/or telephone 1300 288 664.

Annual General Meeting (AGM)

Notice was given on 27 October 2017 that the Company's annual general meeting (AGM) of shareholders will be held at 3:00pm (WST) on Thursday, 30 November 2017 at the Company's Perth office: Suite 8, 295 Rokeby Road, Subiaco.



Altech Chemicals
Limited

QUARTERLY REPORT

September 2017

Company Snapshot

Altech Chemicals Limited (ASX:ATC) (FRA:A3Y)
ABN 45 125 301 206

FINANCIAL INFORMATION

(as at 30 September 2017)

Share Price:	\$0.13
Shares:	298m
Options:	3.0m
Performance Rights:*	20.7m
Market Cap:	\$38.4m
Cash:	\$0.3 million <i>(post quarter end, \$17 million successful share placement)</i>

DIRECTORS

Luke Atkins	Non-executive Chairman
Iggy Tan	Managing Director
Peter Bailey	Non-executive Director
Dan Tenardi	Non-executive Director
Tunku Yaacob Khya	Non-executive Director
Uwe Ahrens	Alternate Director

COMPANY SECRETARY/CFO

Shane Volk

INVESTOR RELATIONS (EUROPE)

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*subject to vesting conditions



Schedule of Tenements

As per ASX Listing Rule 5.3.3, the Company held the following tenements (exploration and mining leases) as at 30 September 2017:

Tenement ID	Registered Holder	Location	Project	Grant Date	Interest end of quarter
E70/4718	Canning Coal Pty Ltd	WA Australia	Kerrigan	01/12/2015	100%
M70/1334	Altech Meckering Pty Ltd	WA Australia	Meckering	19/05/2016	100%

ABOUT ALTECH CHEMICALS (ASX:ATC) (FRA:A3Y)

Altech Chemicals Limited (Altech/the Company) is aiming to become one of the world's leading suppliers of 99.99% (4N) high purity alumina (HPA) (Al₂O₃).

HPA is a high-value, high margin and highly demanded product as it is the critical ingredient required for the production of synthetic sapphire. Synthetic sapphire is used in the manufacture of substrates for LED lights, semiconductor wafers used in the electronics industry, and scratch-resistant sapphire glass used for wristwatch faces, optical windows and smartphone components. There is no substitute for HPA in the manufacture of synthetic sapphire.

Global HPA demand is approximately 25,315tpa (2016) and demand is growing at a compound annual growth rate (CAGR) of 16.7% (2016-2024), primarily driven by the growth in worldwide adoption of LEDs. As an energy efficient, longer lasting and lower operating cost form of lighting, LED lighting is replacing the traditional incandescent bulbs.

Current HPA producers use expensive and highly processed feedstock materials such as aluminium metal to produce HPA. Altech has completed a Final Investment Decision Study (FIDS) for the construction and operation of a 4,500tpa HPA plant at the Tanjung Langsat Industrial Complex, Johor, Malaysia. The plant will produce HPA directly from kaolin clay, which will be sourced from the Company's 100%-owned kaolin deposit at Meckering, Western Australia. Altech's production process will employ conventional "off-the-shelf" plant and equipment to extract HPA using a hydrochloric (HCl) acid-based process. Production costs are anticipated to be considerably lower than established HPA producers.

The Company is currently in the process of securing project financing with the aim of commencing project development in 2018.

FORWARD-LOOKING STATEMENTS

There is no certainty that German government project finance export credit cover (ECA) and/or project debt finance will be approved. The Company makes no representations or warranties whatsoever as to the outcome of the ECA application process. In addition, the Company to date has not been provided a final executable EPC price from its appointed proposed EPC contractor, which is still finalising the detailed design of the proposed Malaysian high purity alumina (HPA) plant.

This announcement contains forward-looking statements which are identified by words such as 'anticipates', 'forecasts', 'may', 'will', 'could', 'believes', 'estimates', 'targets', 'expects', 'plan' or 'intends' and other similar words that involve risks and uncertainties. Indications of, and guidelines or outlook on, future earnings, distributions or financial position or performance and targets, estimates and assumptions in respect of production, prices, operating costs, results, capital expenditures, reserves and resources are also forward-looking statements. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions and estimates regarding future events and actions that, while considered reasonable as at the date of this announcement and are expected to take place, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the directors and management. We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and readers are cautioned not to place undue reliance on these forward-looking statements. These forward-looking statements are subject to various risk factors that could cause actual events or results to differ materially from the events or results estimated, expressed or anticipated in these statements.

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

ALTECH CHEMICALS LIMITED

ABN

45 125 301 206

Quarter ended ("current quarter")

SEPTEMBER 2017

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		
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	(932)	(932)
(c) production	-	-
(d) staff costs	(343)	(343)
(e) administration and corporate costs	(296)	(296)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	3
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (deposit paid)	-	-
1.9 Net cash from / (used in) operating activities	(1,568)	(1,568)

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

Mining exploration entity and oil and gas exploration entity quarterly report

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	10	10
	(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)	-	-
2.6	Net cash from / (used in) investing activities	9	9
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	128	128
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	-	-
3.5	Proceeds from borrowings	280	280
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	408	408
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,432	1,432
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,568)	(1,568)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	9	9
4.4	Net cash from / (used in) financing activities (item 3.10 above)	408	408
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	281	281

Mining exploration entity and oil and gas exploration entity quarterly report

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	281	1,432
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details) (Security Deposit)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	281*	1,432

* \$17.2 million share placement announced 27 October 2017

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 | 131 |
| 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 | |

Director Remuneration & Rent of office premises

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

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	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.		

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	-
9.2 Development	(3,000)
9.3 Production	-
9.4 Staff costs	(350)
9.5 Administration and corporate costs	(300)
9.6 Placement of shares (net of expenses) as announced on 27 Oct 2017	16,750
9.7 Total estimated cash (outflows)/inflow	13,100

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				
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:
 (Director/Company secretary)

Date: 31 OCTOBER 2017

Print name: SHANE VOLK

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.