



Quarterly Report - Activities

for the quarter ended 31 December 2016

Highlights

- **Drilling at Aucu Gold Project delivers high grade gold mineralisation and visible gold**
- **New gold zone identified at Ironstone Gold Prospect**
- **Lithium Anomalism identified at Lake Percy**
- **\$2.55 Million placement and SPP completed**

Summary

Kyrgyz Republic Exploration – Aucu Gold Project (89% owned)

During the December quarter the Company completed the 2016 drill program at the Aucu Gold deposit in Central Asia, targeting the high grade extension of the Upper Gold Zone. The drilling has identified a new mineralised zone containing visible gold in both the drill holes and in surface outcrop.

During the March quarter the Company will undertake a new JORC gold resource estimate in conjunction with detailed metallurgy. It is planned to use the new resource estimate in an open pit optimisation study.

Western Australian Exploration -Gold Projects (100% owned)

Drilling was undertaken at the Ironstone Gold prospect where a new zone of gold mineralisation was identified. Follow up drilling will be undertaken in 2017.

Extensive soil geochemical sampling programs have been completed along the Central gold trend near Ironstone. The Company is awaiting results.

Western Australian Exploration -Lithium Projects (100% owned-part reducing to 30%)

Liontown Resources Limited has completed an initial phase of exploration at the Lake Percy tenement which included collection of soil samples and reanalysis of historical samples. Liontown has identified several surface lithium anomalies associated with tin, tantalum and other elements typically hosted by rare metal pegmatites. Liontown is intending to conduct an initial drilling program in February.

Liontown can earn up to a 70% interest in the Lake Percy tenement for expenditure of \$1.75 million.

Corporate

During the quarter the Company secured a \$2 million underwriting package from Novus Capital Limited. This enabled the Company to complete both a placement and a share purchase plan to raise \$2.55 million by the issue of 339,966,667 ordinary shares at an issue price of \$0.0075 each. Free attaching 31 December 2018 options exercisable at \$0.013 were also issued. These options have been listed upon ASX.

Todd Hibberd
Managing Director
19 January 2017

1 The Aucu Gold Project, Central Asia (89%)¹

During the December 2016 quarter the Company continued drilling to test the high grade eastern section of the Upper Gold Zone of the Aucu Gold Project in the Kyrgyz Republic. Multiple high grade gold intersections have been encountered including:

- 12 metres at **15.6 g/t gold** including 2 metres at **79.2 g/t gold**
- 11 metres at **15.2 g/t gold** including 1 metre at **149 g/t gold**
- 3 metres at **11.2 g/t gold**
- 3 metres at **11.9 g/t gold**
- 5 metres at **7.6 g/t gold**

The high grade gold intersections occur within a newly discovered structure called the quartz zone. The Quartz Zone occurs at the eastern end of the Eastern Gold Zone adjacent to the main porphyry intrusion. High grade gold mineralisation is largely confined to the quartz reef which ranges from 1-5 metres wide and can be traced at surface over 265 metres length. Visible gold has been panned from the quartz reef in five road cuttings covering 350 metres length (Figures 1 & 2). The quartz reef extends north-west and interpreted to be the same reef encountered in drill hole UGZ15-35 which intersected **8 metres at 55 g/t gold** (Figure 1).

Current Project Activities

Following the successful completion of the 2016 drilling campaign the Company is undertaking the following activities in the March quarter:

1. Conducting a new JORC compliant resource estimate to be conducted by highly regarded mining consultants CSA Global. Results are expected in March.
2. Conducting a substantial gold and copper metallurgical test work program to better outline potential processing options for the deposit.
3. Conducting a preliminary open pit mining optimisation study to establish the baseline economics of the project, to form part of an application for a mining license and to assist with optimising future drill programs.
4. Planning RC and diamond drilling for the commencement of field exploration in April 2017.

Provided the metallurgical test work produces the high gravity gold recoveries (88.8% gravity recoverable and 99% total recoverable gold) similar to that encountered in previous metallurgical test work the Company believes that a low cost simple gravity plant could allow the project to provide substantial cash flow within a short time frame.

Table 1: Summary of Quartz Zone drill results to date:

Section elevation	Hole	Interval		Gold (g/t)	From depth	Including	At	Gold (g/t)
3080	UGZ15-35	8 metres	@	55 g/t gold	75 metres	1 metre	@	85.0 g/t gold
3020	ERC16-30	5 metres	@	9.9 g/t gold	3 metres	1 metre	@	41.5 g/t gold
3020	ERC16-29	7 metres	@	3.2 g/t gold	26 metres	1 metre	@	9.5 g/t gold
3020	ERC16-29	19 metres	@	0.74% copper	22 metres	2 metres	@	2.4% copper
						2 metres	@	1.5% copper
3000	ERC16-33	4 metres	@	12 g/t gold	49 metres	1 metre	@	41.3 g/t gold
3000	ERC16-33	7 metres	@	3.3 g/t gold	82 metres	1 metre	@	9.5 g/t gold
3000	ERC16-33	9 metres	@	8.3 g/t gold	96 metres	1 metre	@	21 g/t gold
3000	ERC16-33					1 metre	@	24 g/t gold
3000	ERC16-33	34 metres	@	1.35% copper	71 metres	7 metres	@	5.1% copper
3000	ERC16-32	12 metres	@	5.1 g/t gold	34 metres	2 metres	@	26.2 g/t gold
3000	ERC16-31	3 metres	@	9.8 g/t gold	9 metres	1 metre	@	25.6 g/t gold
2980	ERC16-34	3 metres	@	4.6 g/t gold	8 metres	1 metre	@	11.4 g/t gold
2980	ERC16-35	11 metres	@	15.2 g/t gold	42 metres	1 metre	@	149 g/t gold
2980	ERC16-35	66 metres	@	0.91% copper	33 metres	18 metres	@	1.85% copper

Section elevation	Hole	Interval		Gold (g/t)	From depth	Including	At	Gold (g/t)
2980	ERC16-36	12 metres	@	15.6 g/t gold	82 metres	2 metre	@	79.2 g/t gold
2970	ERC16-38	5 metres	@	4.5 g/t gold	3 metres	1 metre	@	11.5 g/t gold
2920	ERC16-41	3 metres	@	11.2 g/t gold	13 metres	1 metre	@	12.5 g/t gold
2920	ERC16-42	3 metres	@	11.6 g/t gold	45 metres	1 metre	@	15.8 g/t gold
2920	ERC16-43	5 metres	@	7.6 g/t gold	93 metres	1 metre	@	16.0 g/t gold

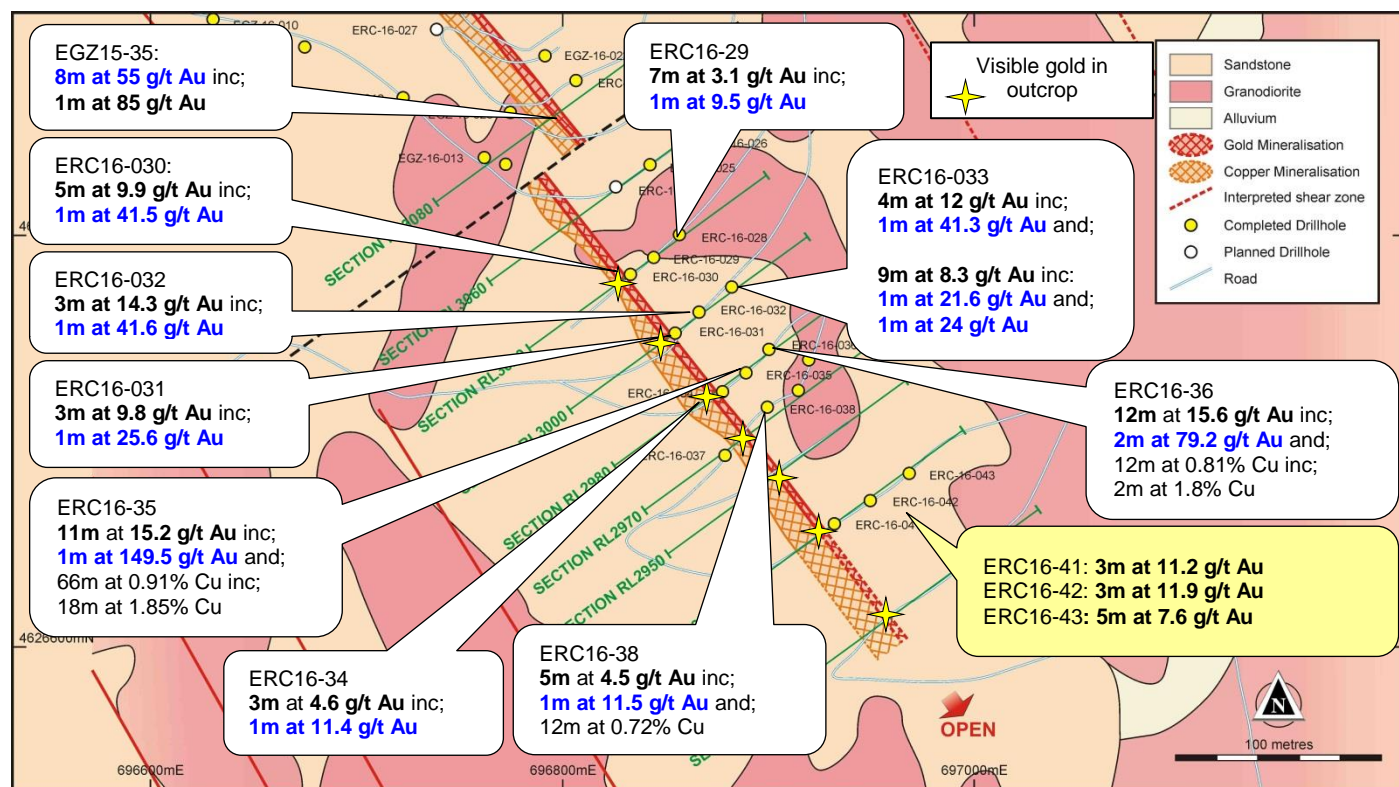


Figure 1: Map showing Quartz Zone and location of outcropping quartz veins (red), drill assay results (new results in light yellow text boxes) and completed RC drilling.

Table 2: Drilling completed in calendar 2016

Hole ID	Northing	Easting	Elevation	Azimuth	Dip	Length (m)	Zone
EGZ16-002	4,627,052	696,430	3054	30	-60	150	EGZ
EGZ16-003	4,627,027	696,422	3056	30	-60	224	EGZ
EGZ16-004	4,627,085	696,393	3020	35	-60	120	EGZ
EGZ16-005	4,627,017	696,467	3090	30	-60	100	EGZ
EGZ16-006	4,627,074	696,488	3093	235	-60	100	EGZ
EGZ16-007	4,626,972	696,504	3125	30	-60	100	EGZ
EGZ16-008	4,626,940	696,463	3110	30	-60	150	EGZ
EGZ16-010	4,626,905	696,631	3068	235	-60	150	EGZ
EGZ16-011	4,626,910	696,570	3082	30	-60	150	EGZ
EGZ16-012	4,626,866	696,722	3060	30	-60	150	EGZ
EGZ16-013	4,626,837	696,761	3052	30	-60	150	EGZ
EGZ16-017	4,626,943	696,706	3090	30	-60	100	EGZ
EGZ16-018	4,626,918	696,690	3076	30	-60	200	EGZ
EGZ16-019	4,626,891	696,675	3062	30	-60	250	EGZ
EGZ16-022	4,626,887	696,792	3090	30	-60	101	EGZ
EGZ16-023	4,626,859	696,775	3070	30	-60	100	EGZ
ERC16-025	4,626,838	696,836	3050	235	-60	120	Q zone
ERC16-028	4,626,800	696,856	3028	235	-60	130	Q zone

Hole ID	Northing	Easting	Elevation	Azimuth	Dip	Length (m)	Zone
ERC16-029	4,626,789	696,845	3023	235	-60	100	Q zone
ERC16-030	4,626,780	696,833	3018	235	-60	70	Q zone
ERC16-031	4,626,752	696,854	3002	235	-60	70	Q zone
ERC16-032	4,626,762	696,866	3003	235	-60	100	Q zone
ERC16-033	4,626,771	696,880	3004	235	-60	130	Q zone
ERC16-034	4,626,724	696,877	2978	235	-60	70	Q zone
ERC16-035	4,626,733	696,888	2979	235	-60	100	Q zone
ERC16-036	4,626,745	696,900	2,981	235	-60	130	Q zone
ERC16-037	4,626,693	696,879	2,965	230	-60	70	Q zone
ERC16-038	4,626,716	696,899	2,967	230	-60	80	Q zone
ERC16-039	4,626,724	696,914	2,967	230	-60	120	Q zone
ERC16-040	4,626,739	696,920	2,969	230	-60	150	Q zone
ERC16-041	4,626,659	696,932	2,918	230	-60	70	Q zone
ERC16-042	4,626,671	696,949	2,918	230	-60	100	Q zone
ERC16-043	4,626,684	696,967	2,922	230	-60	130	Q zone
Total Completed						4,045	

Coordinate system is: UTM WGS84 Zone 42 North

Aucu Gold Deposit Summary

As previously reported (ASX releases 24 Mar 15 and 02 Apr 15), the Company announced a maiden inferred resource for the **Aucu** gold deposit above a cut-off grade of 1 g/t gold of **1.15 Million** tonnes grading **4.2 g/t gold** for **156,000 ounces**¹ of contained gold.

In 2015, drilling identified exceptional gold mineralisation² to the east of the Upper Gold Zone (**UGZ**) over a strike length of at least 500 metres (ASX releases 11 Nov 15, 1 Dec 15 and 7 Dec 15). Results included:

- 8 metres at 55.2 g/t gold from 66 metres including 1 metre at 89.9 g/t gold
- 4 metres at 59.9 g/t gold from 66 metres including 1 metre at 189 g/t gold
- 2 metres at 43.5 g/t gold from 86 metres
- 1 metre at 103.4 g/t gold from 74 metres
- 3 metres at 41.4 g/t gold including 1 metre at 71 g/t gold
- 4 metres at 23.8 g/t gold from 85 metres
- 2 metres at 22 g/t gold from 102 metres
- 1 metre at 58 g/t gold

In 2016, drilling east of the Upper Gold Zone identified further substantial mineralisation over an additional 300 metres of strike length. Results included:

- 11 metres at 15.2 g/t gold from 42 metres including 1 metre at 149 g/t gold
- 12 metres at 15.6 g/t gold from 82 metres including 2 metres at 79 g/t gold
- 12 metres at 5.1 g/t gold from 34 metres including 2 metres at 26.2 g/t gold
- 5 metres at 9.9 g/t gold from 3 metres
- 9 metres at 8.3 g/t gold from 96 metres
- 4 metres at 12 g/t gold from 49 metres
- 3 metres at 11.2 g/t gold from 13 metres
- 3 metres at 11.9 g/t gold from 45 metres
- 5 metres at 7.6 g/t gold from 93 metres
- 3 metres at 9.8 g/t gold from 9 metres

Substantial copper intersections include:

- 66 metres at 0.91% copper from 33 metres including 18 metres at 1.85% copper
- 24 metre at 1.34% copper from 71 metres including 7 metres at 5.1% copper

- 19 metres at 0.74% copper from 22 metres including 2 metres at 2.4% copper

In addition:

- Mineralisation outcrops at **surface** over an elevation of at least 600 metres,
- Mineralisation remains open in all directions and at depth,
- Overall metallurgical recovery of all mineralised zones is 99%, and
- Gravity recoverable gold averages 88.6% (gold that reports to the gravity concentrate).

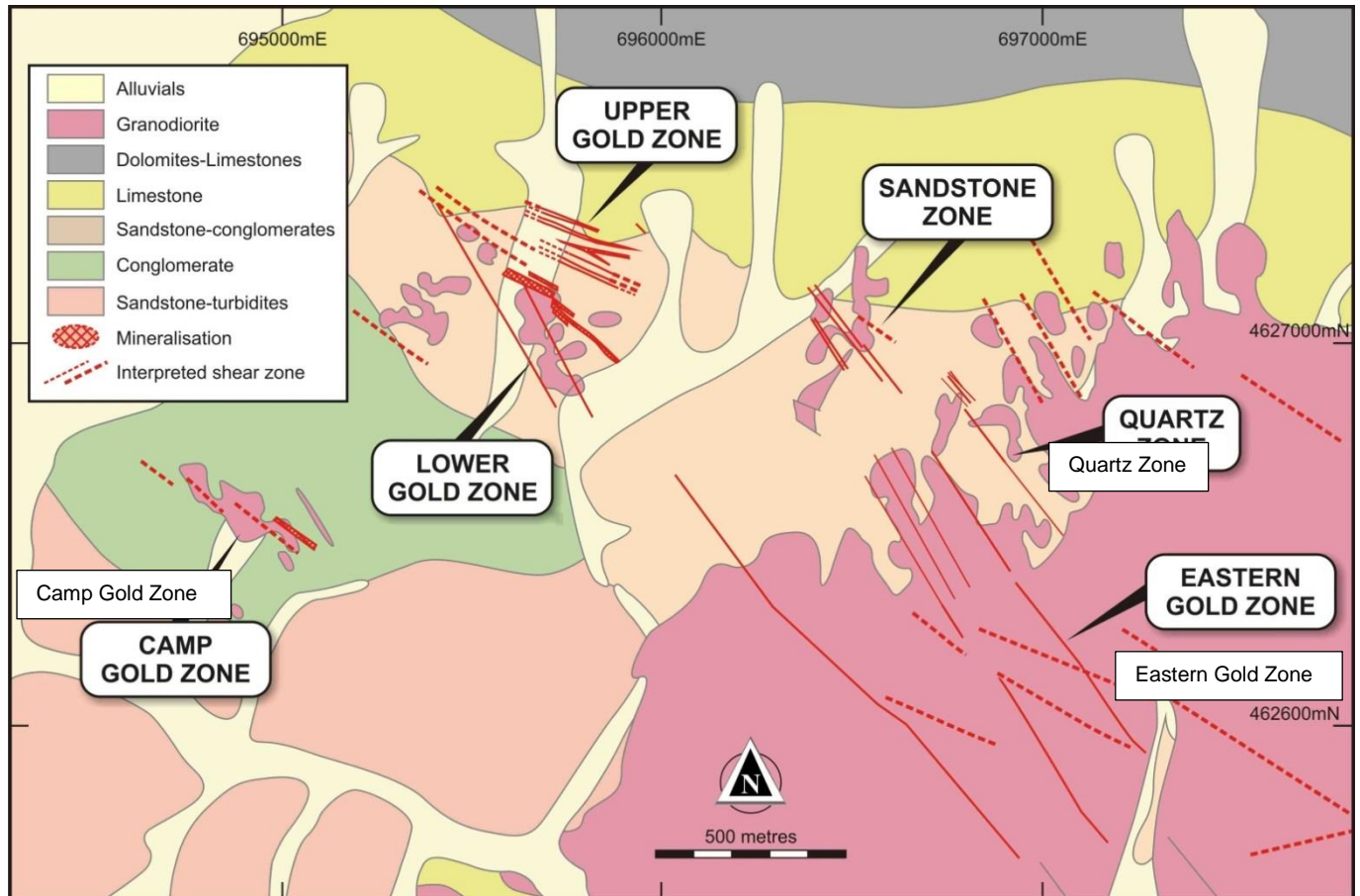


Figure 2: Location map of drilling showing quartz zone and the sandstone zone where visible gold and high grade gold mineralisation is widespread.



Location Map: Northwest Kyrgyz Republic, Central Asia

2 Merolia Gold and Nickel Project (100%)¹

During the December quarter the Company conducted a 2,000 metre drill program to test the Ironstone and Burtville East gold prospects. In addition an extensive soil sampling campaign was conducted to test the Central gold trend located between Ironstone and Comet well.

At Ironstone, drilling identified multiple broad mineralised zones from shallow depths that remain open at depth and along strike. Results include:

- 4 metres at **1.8 g/t gold** within 12 metres at 1.1 g/t gold
- 4 metres at 1.3 g/t gold and 5 metres at 0.6 g/t gold
- 4 metres at 0.79 g/t gold and 4 metres at 0.77 g/t gold within 12 metres at 0.66 g/t gold

In addition to the main mineralised intersections there are wide zones of +0.2 g/t gold mineralisation that indicates the presence of a large mineralised system and alteration halo.

The Company is particularly encouraged by the higher grade intersections in the weathered zone as drilling at the adjacent prospect identified substantially higher grades in the fresh rock below similar gold results in the weathered shallow zone. The Company has planned additional air core drilling to test the target further in 2017. The drilling will be carried out in conjunction with drilling testing the adjacent Comet Well gold in soil anomalies.

The Company is awaiting results from both the Burtville East drilling program and the Central Trend soil geochemical sampling program.

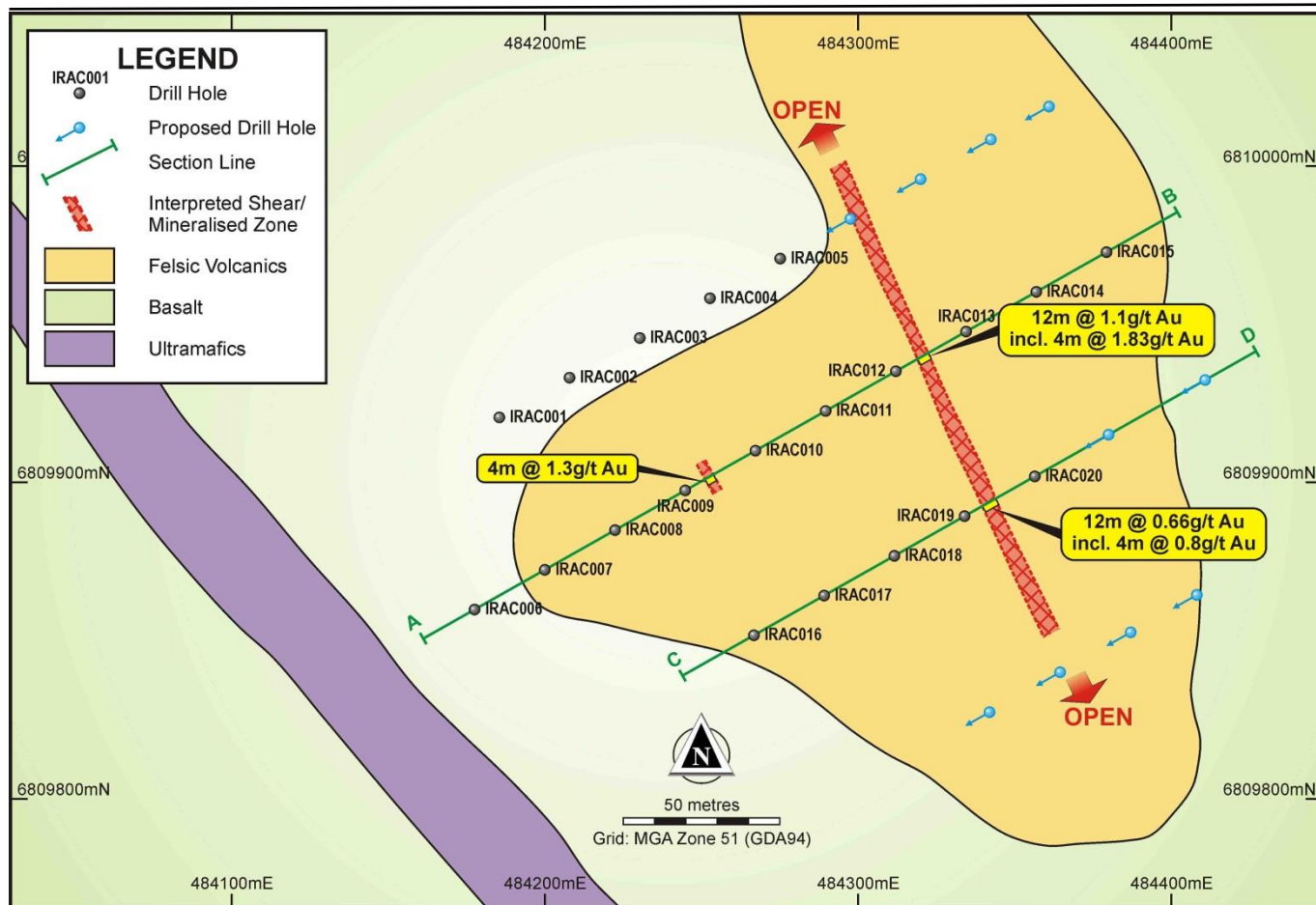


Figure 3: Geology map showing the Ironstone air-core drilling locations, interpreted gold mineralisation and further planned drilling

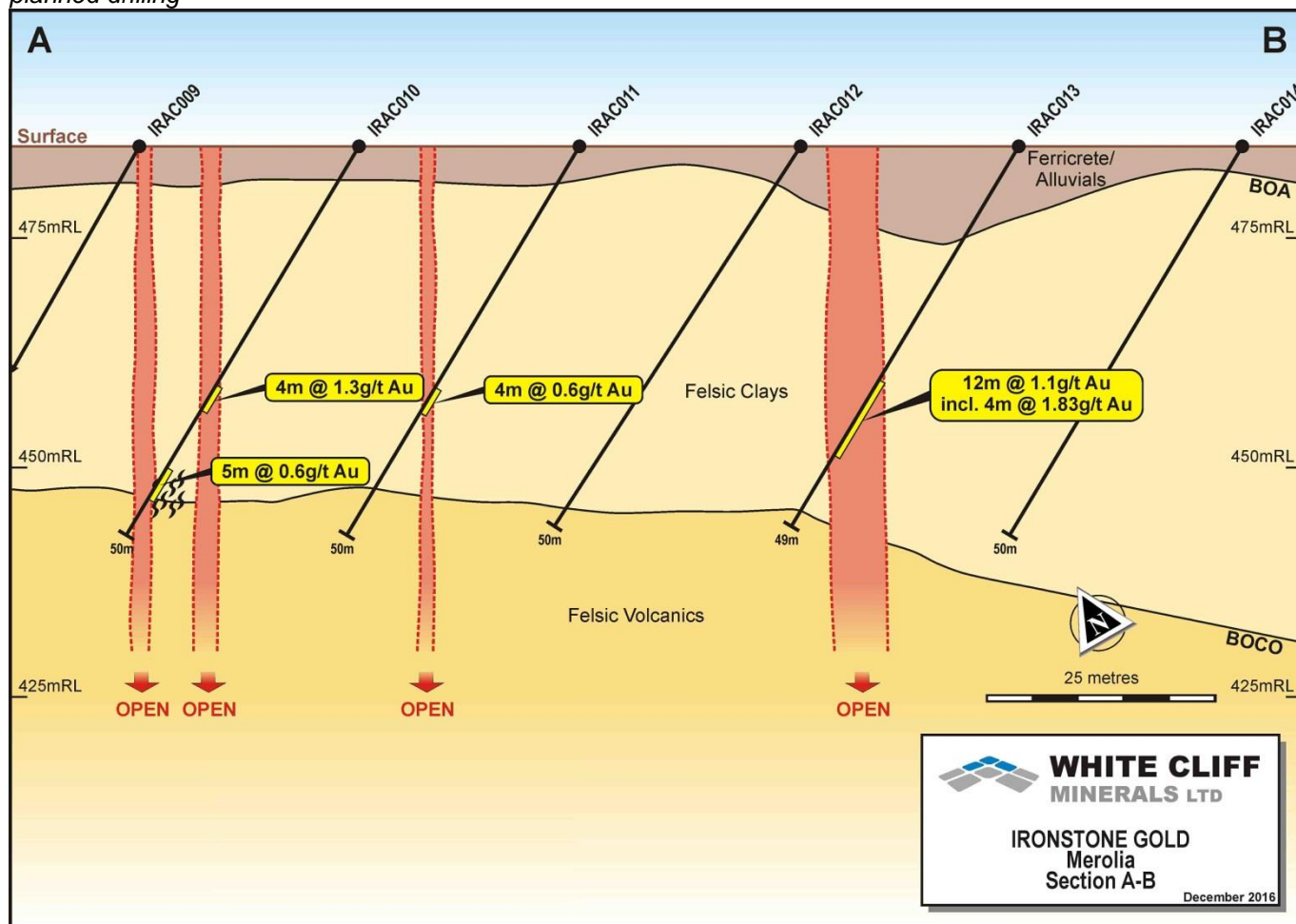


Figure 4: Cross section showing interpreted mineralised zones on Section A-B

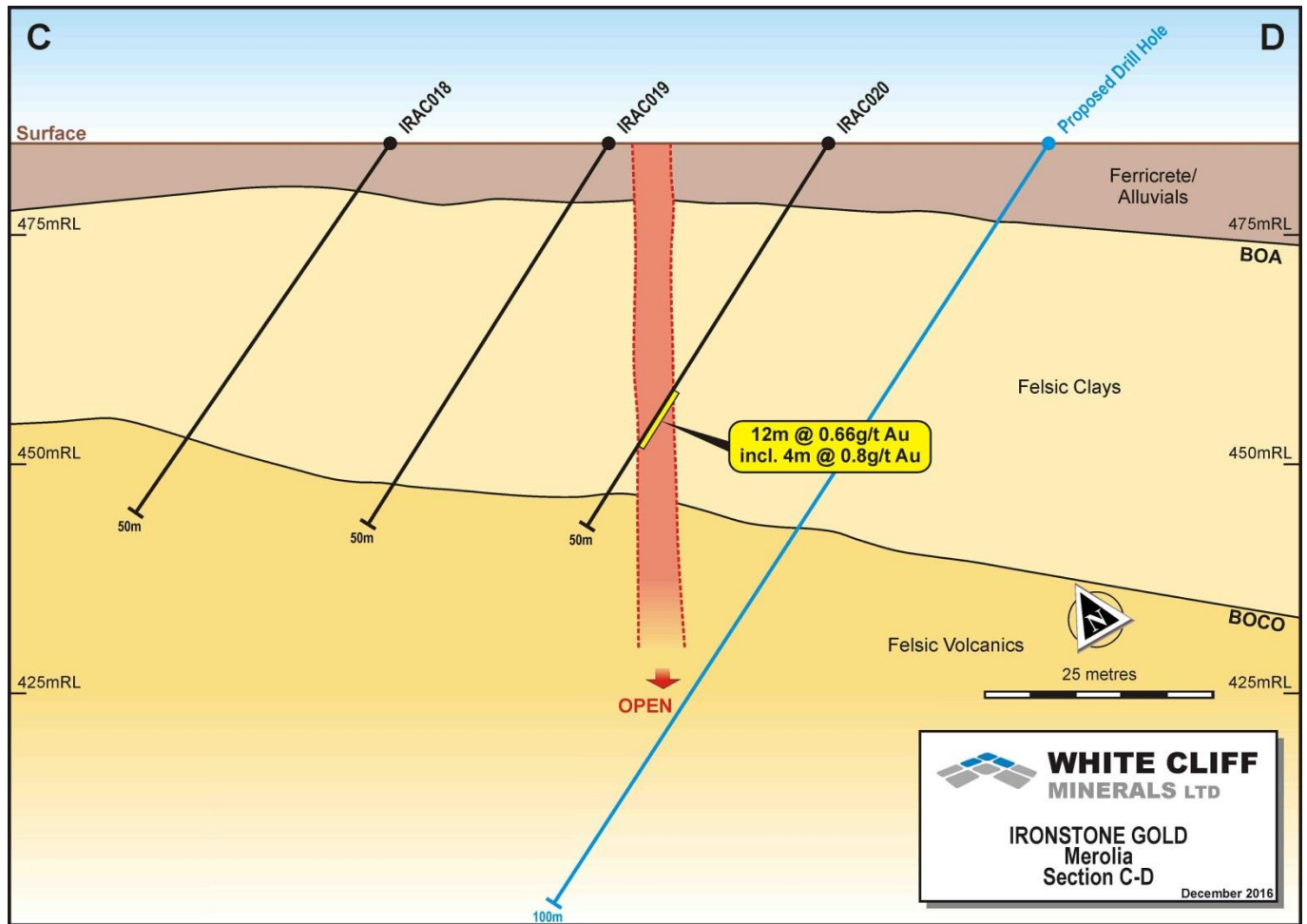


Figure 5: Cross section showing interpreted mineralised zones on Section C-D

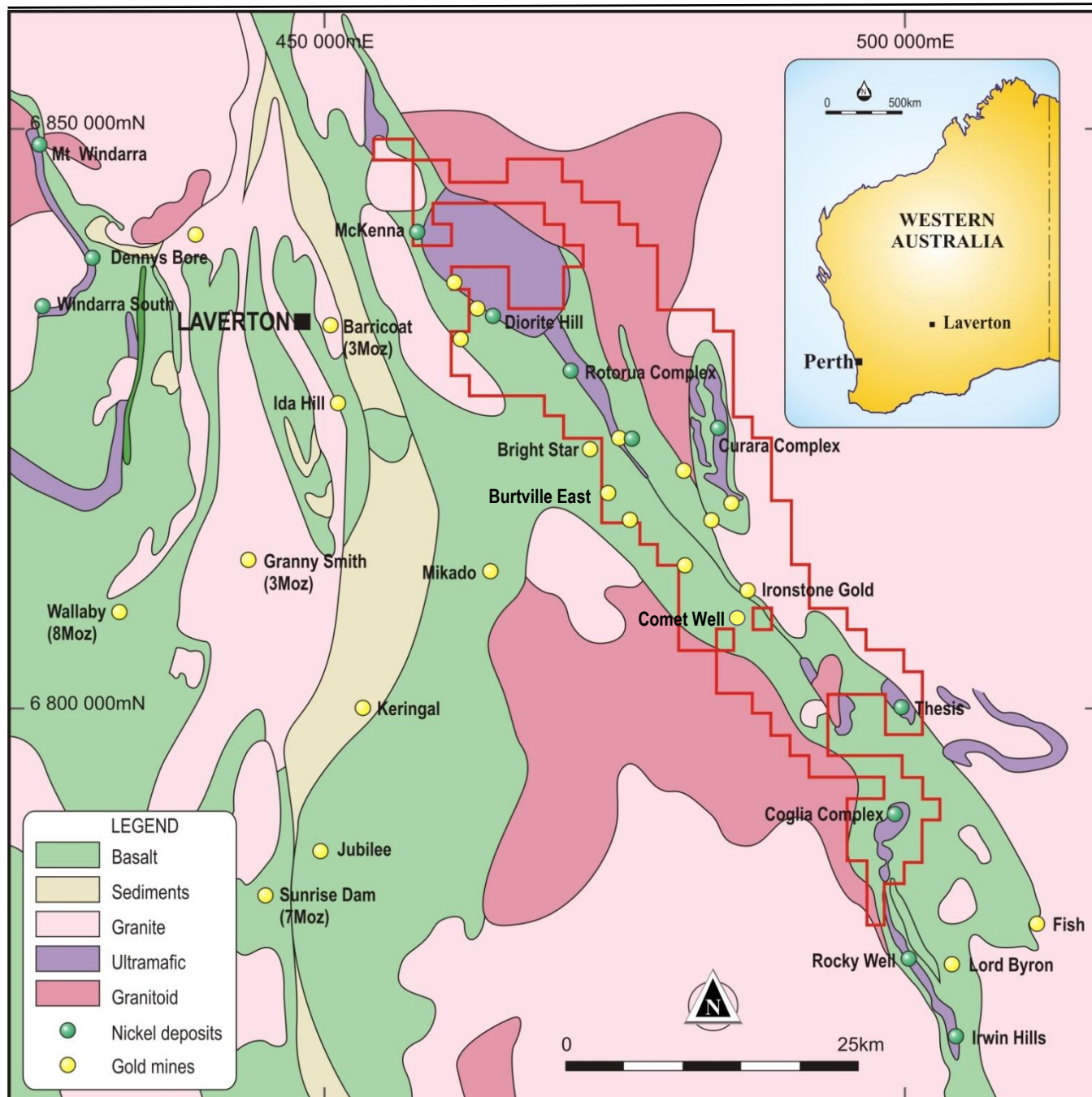


Figure 6: Map of the tenements at the Merolia Project near Laverton WA, with target areas highlighted.

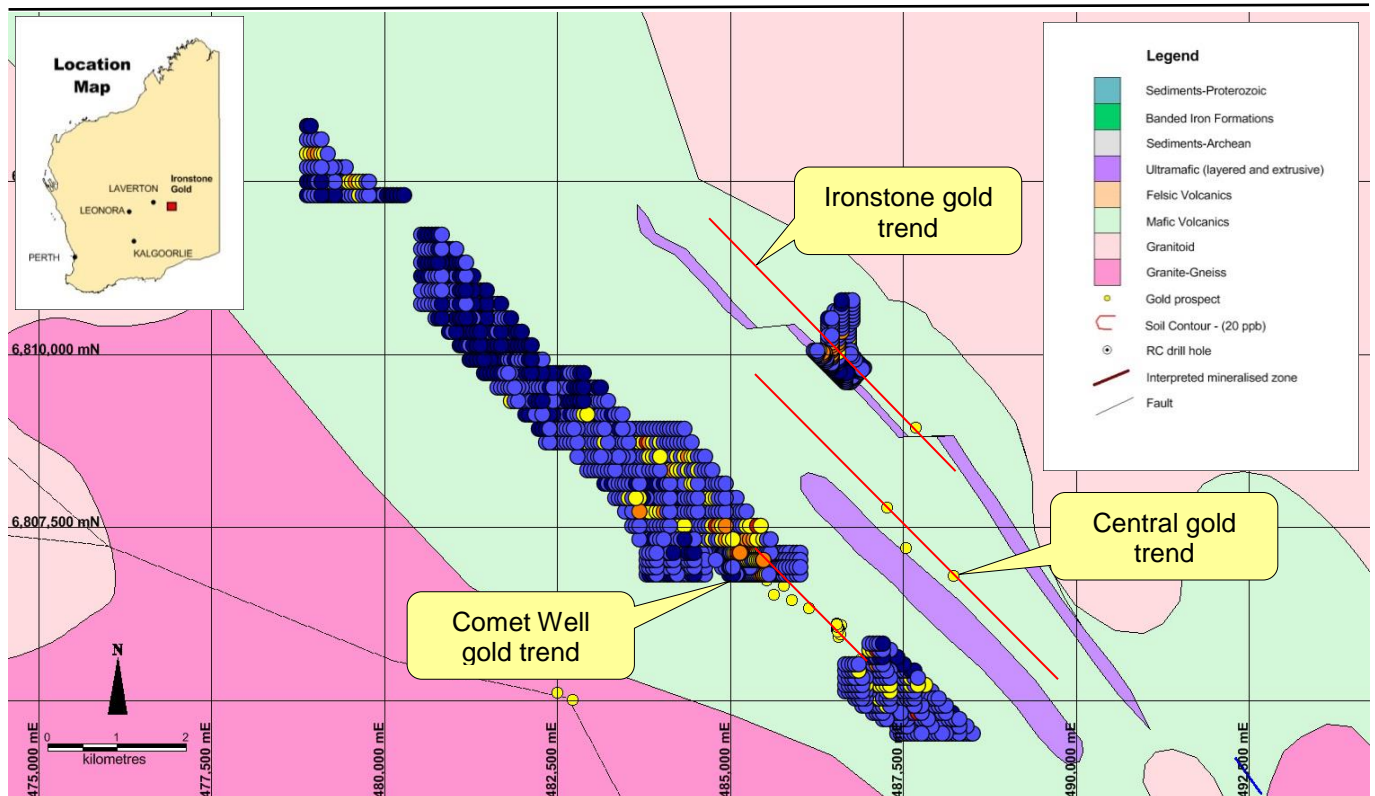


Figure 7: Geological map of the Comet Well gold trend and adjacent Ironstone gold anomaly.

Comet Well Background

The Company reported the **discovery of gold nuggets** within the regional Ironstone Gold prospect in February 2016. Detailed metal detecting identified a significant number of **gold nuggets** at surface over a 3 kilometre long trend (the Comet Well trend) that coincides with a major regional fault structure. The nuggets were located by prospectors operating under a formal tribute agreement with the Company. Recent prospecting by the tribute group has identified visible gold from a 2 metre deep pit occurring adjacent to a quartz vein where 4 ounces of gold has been recovered (Figure 8). Along the 3 kilometre trend a total 40 ounces of gold has been recovered with the largest nugget weighing 20 grams.



Figure 8 Gold nuggets recovered by prospectors within the Company's tenement package

Evaluation of the regional magnetic data over the Ironstone gold project has identified several NW-SE trending shear systems that have the potential to host substantial gold mineralisation (Figure 9). The Comet Well trend and associated regional structures extend at least 30 kilometres north to the A1 Minerals Bright Star deposit and only limited historical exploration has been undertaken over these structures.

3 Lake Percy Lithium Project (100%) and Joint Venture (100% reducing to 30%)

On 11 January 2017 the Company announced the grant of a new lithium tenement (E63/1793) north of the Lake Percy Lithium Joint Venture tenement (E63/1222i). Historical exploration on the tenement E63/1793 (Figure 9) identified pegmatites both in outcrop and on drill holes but no lithium assaying was undertaken.

Given the recent discovery of lithium containing pegmatites at Mt Day and the highly anomalous lithium soil geochemistry reported at the Lake Percy Joint Venture Tenement (Figure 10-11) by Liontown Resources Ltd (“**Liontown**”) (ASX:LTR) the Company will undertake a comprehensive soil sampling program over its 100% owned tenement in February.

Also post quarter end Liontown announced the discovery of a 2 kilometre long Lithium trend on the Lake Percy JV tenement. Liontown expect to drill the lithium anomalies in early 2017.

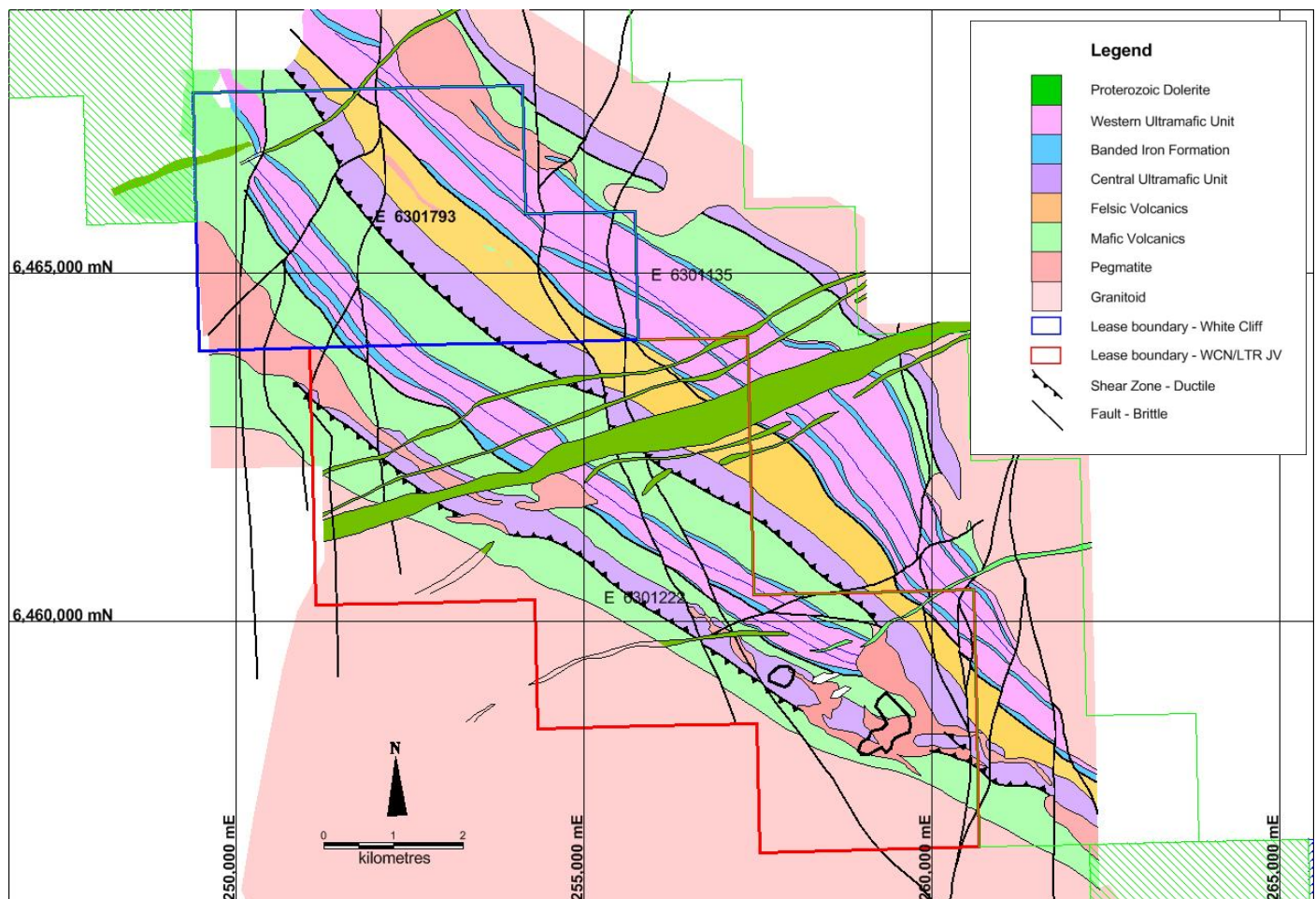


Figure 9: Geological Map of White Cliff Minerals Lake Percy Lithium Tenement and Joint Venture Tenement

Liontown Resources Ltd identifies 2km Long Lithium trend at Lake Percy

The anomalous trend identified by Liontown, which contains values of up to 354ppm Li_2O , has been outlined over a strike length of 2km and is coincident with pegmatites which locally exceed 100 metres true thickness (Figure 10).

Lake Percy is located ~440km east of Perth near Poseidon Nickel's Lake Johnson/Maggie Hayes treatment plant in WA. It is also just 60km from the world-class Earl Grey lithium deposit discovered by Kidman Resources.

This emerging Forrestania Lithium Province also includes the Mt Cattlin spodumene mine (currently being commissioned by Galaxy Resources) and the Mount Day lithium discovery, which is located 20km to the south in the same greenstone belt as Lake Percy (Figure 11).

In light of the strong anomaly identified at Lake Percy, Liontown has scheduled a maiden RC drilling program to start in early February.

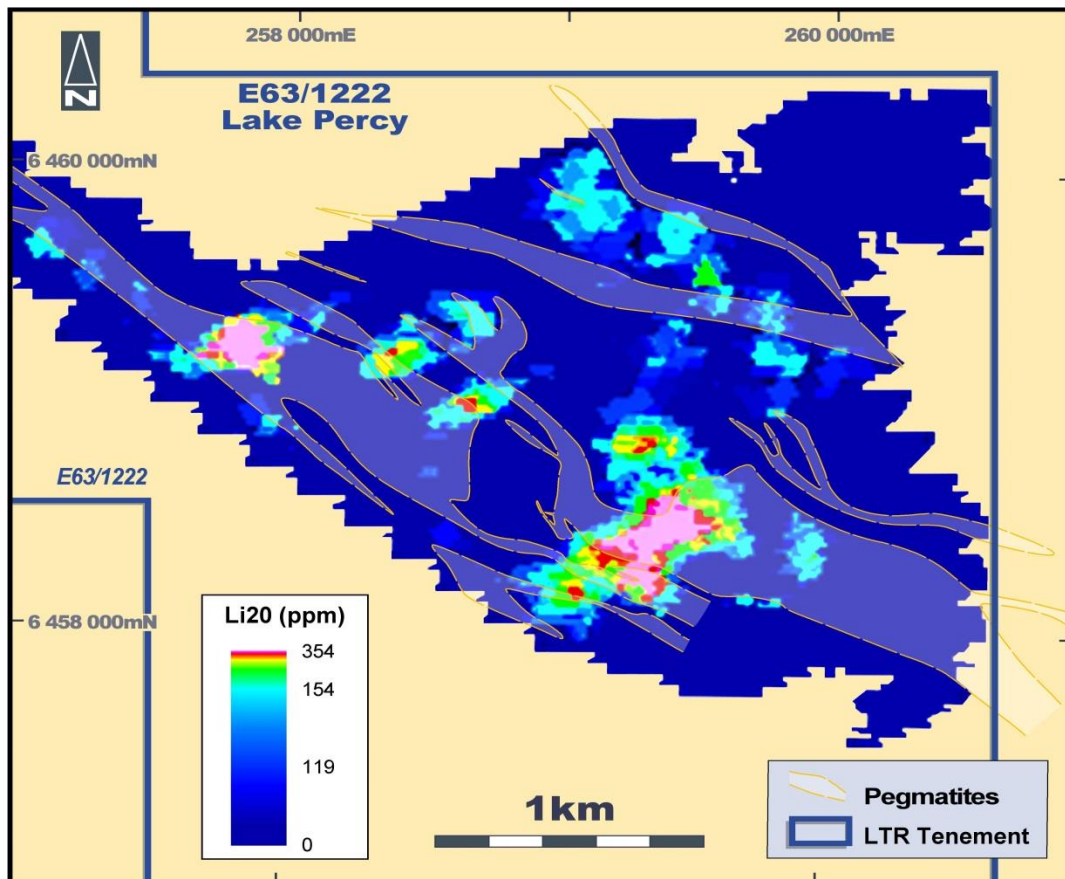


Figure 10: Lake Percy Project – Soil image showing strong lithium anomalism coincident with mapped pegmatites

Lake Percy Joint Venture Agreement

In June 2016 WCN secured a joint venture agreement with Lontown to explore the Company's Lake Percy tenement (E63/1222) for lithium and other minerals in a rapidly emerging lithium province in the Lake Johnson-Forrestania district of Western Australia.

Under the joint venture, Lontown can earn up to 70% equity in the 41km² Lake Percy tenement (EL63/1222i) located approximately 430km east of Perth Western Australia (**Figure 11**) by:

- spending A\$1,000,000 on exploration within 3 years to earn 51% equity;
- at Lontown's election, it can increase its equity to 70% by spending an additional A\$750,000 before the 4th anniversary of the JV Agreement execution; and
- by committing to spending \$50,000 on exploration before having the right to withdraw from the joint venture.



Figure 11: Lake Percy Project – Location Plan and Regional Geology

4 Other Projects

The Company has conducted extensive soil sampling programs over several nickel and gold prospects during the June quarter including the Ghan Well and the Bremer Range projects. Analysis of these samples has been deferred to the March quarter and results will be reported as they become available.

5 Corporate

During the quarter the Company secured a \$2 million underwriting package from Novus Capital Limited. This enabled the Company to complete an underwritten placement and a partially underwritten share purchase plan (SPP).

The placement to professional and sophisticated investors was over-subscribed raising \$1.5 million by the issue of 200 million shares at an issue price of \$0.0075 each with a 1:3 free attaching option exercisable at \$0.013 on or before 31 December 2018.

Under the SPP an additional \$1.05 million was raised by the issue of 139,966,667 ordinary shares at an issue price of \$0.0075 each, with a 1:3 free attaching option exercisable at \$0.013 on or before 31 December 2018.

A total of 151,322,273 December 2018 were issued and these December 2018 options have been listed and are trading upon ASX.

6 Tenement information

TENEMENT	PROJECT	LOCATION	OWNERSHIP	CHANGE IN QUARTER
AP590	Chanach	Kyrgyz Republic	89%	-
E38/2484	Merolia	Laverton	100%	-
E38/2552	Merolia	Laverton	100%	-
E38/2583	Merolia	Laverton	100%	-
E38/2690	Merolia	Laverton	100%	-
E38/2693	Merolia	Laverton	100%	-
E38/2727	Merolia	Laverton	100%	-
E38/2847	Merolia	Laverton	100%	-
E38/2848	Merolia	Laverton	100%	-
E38/2849	Merolia	Laverton	100%	-
E63/1222	Bremer Range	Dundas	100%	-
E63/1264	Bremer Range	Dundas	100%	-
E63/1716	Bremer Range	Dundas	100%	-
P63/1988	Bremer Range	Dundas	100%	-
P63/1989	Bremer Range	Dundas	100%	-
E39/1479	Ghan Well	Laverton	100%	-
P39/5262	Laverton	Laverton	100%	-
P39/5263	Laverton	Laverton	100%	-
E39/1585	Laverton	Laverton	100%	-
E39/1586	Laverton	Laverton	100%	-
E38/2702	Laverton	Laverton	100%	-
E31/1011	Duck Hill	Leonora	100%	-

About White Cliff Minerals Limited

White Cliff Minerals Limited is a Western Australian based exploration company with the following main projects:

Kyrgyz Aucu Gold Project (89%): The Project contains extensive porphyry related gold and copper mineralisation starting at the surface and extending over several kilometres. Drilling during 2014 has defined a major **gold discovery** with an initial inferred resource of 1.15Mt at 4.2 g/t containing 156,000 ounces of gold. Additional drilling in 2015 identified extensions of known high grade gold mineralisation with intersections as high as 8 metres at 55 g/t gold. In addition drilling has also defined a significant **copper deposit** at surface consisting of 10Mt at 0.41% copper containing 40,000 tonnes of copper. Extensive mineralisation occurs around both deposits demonstrating significant potential to increase the existing resources.

The project is located in the Kyrgyz Republic, 350km west-southwest of the capital city of Bishkek and covers 83 square kilometres. The Chanach project is located in the western part of the Tien Shan Belt, a highly mineralised zone that extends for over 2,500 km, from western Uzbekistan, through Tajikistan, Kyrgyz Republic and southern Kazakhstan into western China.

Merolia Gold and Nickel Project (100%): The project consists of 771 square kilometres of the Merolia Greenstone belt and contains extensive ultramafic sequences including the Diorite Hill layered ultramafic complex, the Rotorua ultramafic complex, the Cogia ultramafic complex and a 51 kilometre long zone of extrusive ultramafic lava's. The intrusive complexes are prospective for nickel-copper sulphide accumulations possibly with platinum group elements, and the extrusive ultramafic rocks are prospective for nickel sulphide and nickel-cobalt accumulations.

The project also contains extensive basalt sequences that are prospective for gold mineralisation including the Ironstone prospect where historical drilling has identified 24m at 8.6g/t gold. Soil sampling in 2016 has identified multiple mineralised gold trends at Burtville East, Comet Well and Ironstone which will be drilled in 2017.

Bremer Range Nickel Project (100%): The project covers over 127 square kilometres in the Lake Johnson Greenstone Belt, which contains the Emily Ann and Maggie Hayes nickel sulphide deposits. These mines have a total resource of approximately 140,000 tonnes of contained nickel. The project area has excellent prospectivity for both komatiite associated nickel sulphides and amphibolite facies high-grade gold mineralisation.

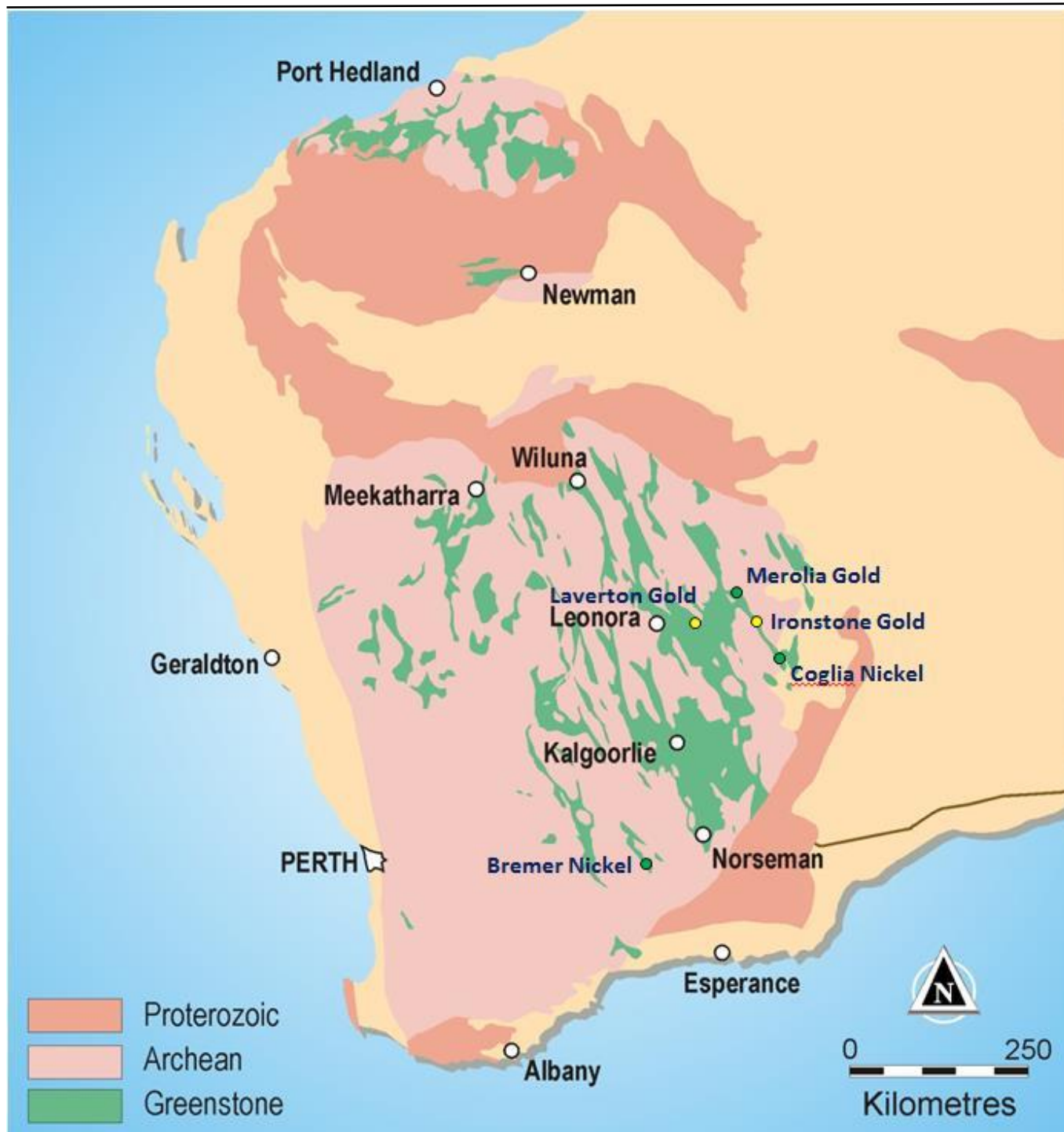
Lake Percy Lithium Project (100%) and Joint Venture (reducing to 30%): The Lake Percy tenement (E63/1222i) is the subject of a Joint Venture arrangement where Liontown Resources (LTR) can earn up to 70% via expenditure of \$1.75 Million. Substantial lithium anomalism has been identified within outcropping pegmatites and drilling will be conducted in 2017. The Company also holds 100% of the adjacent 20km² tenement (E63/1793) which also contains untested outcropping pegmatites.

Laverton Gold Project (100%): The project consists of 136 square kilometres of tenement applications in the Laverton Greenstone belt. The core prospects are Kelly Well and Eight Mile Well located 20km southwest of Laverton in the core of the structurally complex Laverton Tectonic zone immediately north of the Granny Smith Gold Mine (3 MOz) and 7 kilometres north of the Wallaby Gold Mine (7MOz).

JORC Compliance

The Information in this report that relates to exploration results, mineral resources or ore reserves is based on information compiled by Mr Todd Hibberd, who is a member of the Australian Institute of Mining and Metallurgy. Mr Hibberd is a full time employee of the Company. Mr Hibberd has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (the JORC Code)'. Mr Hibberd consents to the inclusion of this information in the form and context in which it appears in this report.

¹ The information relating to White Cliff Minerals past exploration results at Merolia, Laverton and Chanach and its assessment of exploration completed by past explorers was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.



Tenement Map - Australia. A regional geology and location plan of White Cliff Minerals Limited exploration projects in the Yilgarn Craton, Western Australia

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Name of entity

WHITE CLIFF MINERALS LIMITED

ABN

22 126 299 125

Quarter ended ("current quarter")

December 2016

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(1,112)	(2,227)
	(b) development		
	(c) production		
	(d) staff costs	(31)	(62)
	(e) administration and corporate costs	(289)	(444)
1.3	Dividends received		
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 –option fee	20	27
1.9	Net cash from / (used in) operating activities	(1,411)	(2,705)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(7)	(9)
	(b) tenements (see item 10)		
	(c) investments		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	(d) other non-current assets 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		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(7)	(9)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	2,550	2,550
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	(142)	(142)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	2,408	2,408

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	538	1,839
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,411)	(2,705)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(7)	(9)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,408	2,408
4.5	Effect of movement in exchange rates on cash held	(5)	(10)
4.6	Cash and cash equivalents at end of period	1,523	1,523

5.	Reconciliation of cash and cash equivalents at the end of the quarter to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	173	538
5.2	Call deposits	1,346	
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter	1,523	538

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

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Current quarter \$A'000
152

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	

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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	200
9.2 Development	
9.3 Production	
9.4 Staff costs	30
9.5 Administration and corporate costs	100
9.6 Other (provide details if material)	
9.7 Total estimated cash outflows	330

Mining exploration entity and oil and gas exploration entity quarterly report

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

Date: 19 January 2017

Print name: Michael Langoulant

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.