

## Quarterly Activities Report Quarter ended 30 June 2017

### Highlights

- ✓ DGO maintains sediment hosted gold in Australia as its top priority with ongoing research in conjunction with CODES and other leading consultants being used to refine its exploration strategy.
- ✓ Exploration licence application lodged for Goodin West adjacent to the Goodin Inlier, an area identified as prospective for sediment hosted (Central African Copper Belt style) copper – cobalt mineralisation based on the mineralisation model developed by CODES.
- ✓ Additional anomalous gold intersections identified in historical drilling at Ora Banda associated with the extension of the regionally significant Slippery Gimlet / Ora Banda Fault including 12m @ 41.2g/t from 48m.
- ✓ Several high priority target areas based on cross cutting structures proximal to quartz feldspar porphyries adjacent to anomalous gold mineralisation identified at Black Flag.
- ✓ Sediment hosted copper-cobalt and VHMS targets identified from geophysical / geological data interpretation at the Maraloou Target within the Yerrida Basin in Western Australia.
- ✓ Evaluation of geophysical, stratigraphic and open file drilling data on the Stuart Shelf applications (Bookaloo North and South) identified Central African Copper Belt style prospective horizons in a similar stratigraphic position as the nearby Mt Gunson copper – cobalt mine.
- ✓ The Company now holds tenure in the search for sediment hosted gold and copper-cobalt (under joint venture, application or grant) covering 7,044km<sup>2</sup> across Western Australia, in the Eastern Goldfields, Yerrida Basin and the Pilbara, and in South Australia, in the Adelaide Fold Belt and Stuart Shelf.

### Corporate Activities:

- ✓ On 22 June, 2017 DGO issued 2,898,666 fully paid ordinary shares at an issue price of \$0.25 per share and 2,898,666 free attaching options pursuant to the non-renounceable entitlement offer.
- ✓ On 26 June 2017, DGO completed a placement of 869,593 fully paid ordinary shares at an issue price of \$0.25 per share and 869,593 free attaching options.

## EXPLORATION ACTIVITIES

### EASTERN GOLDFIELDS – SEDIMENT HOSTED GOLD IN THE BLACK FLAG GROUP

DGO hold four areas of tenure in the Black Flag Group in the Eastern Goldfields of Western Australia; Ora Banda, Black Flag, Mt Edwards and Lake Randall JV (see Figure 1).

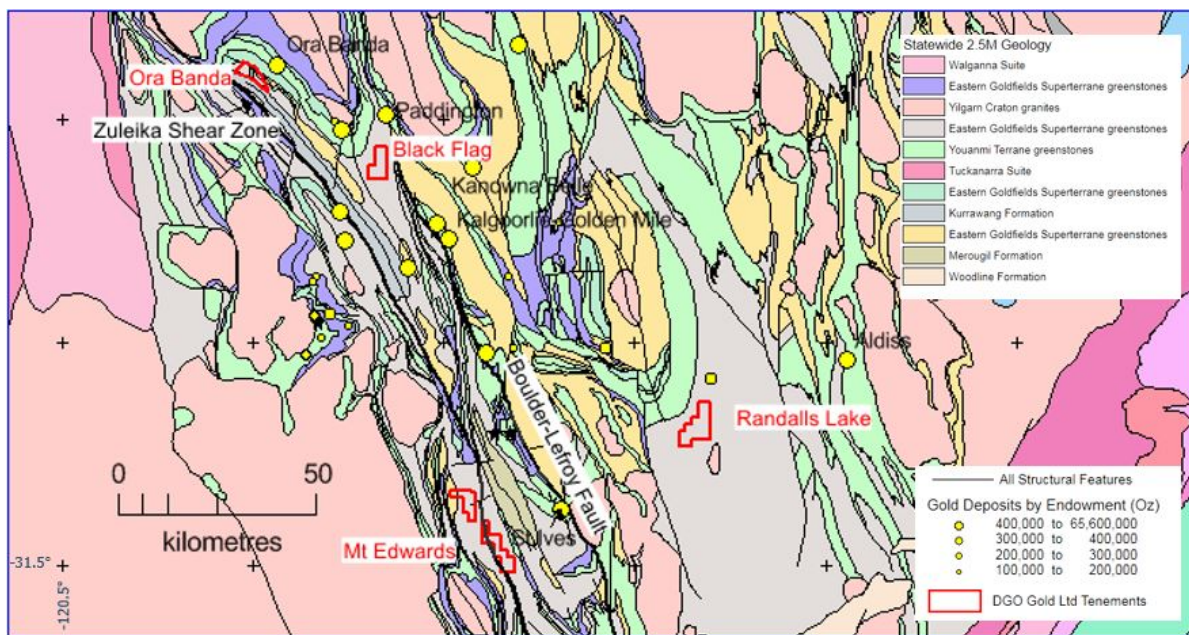


Figure 1: Eastern Goldfields Projects Geological Setting

#### Ora Banda – Targeting

Terra Resources carried out a review of geophysical and past exploration data over the Ora Banda tenements in the previous quarter to assist in the definition of drill targets. This work identified a faulted sequence of the Orinda Sill within Black Flag Group sediments in DGO's tenements, with a program of up to 3,000m of RC drilling (15 holes) on two north-south trending traverses designed to test this target. The data review was ongoing during the June quarter, with a particular emphasis on collation of previous exploration data.

The work completed has indicated that the Orinda Sill is faulted by structures with the same orientation (ENE/EW) as the Slippery Gimlet / Ora Banda Fault that produced high density high grade shoots at the Enterprise Deposit (1.22Moz) within the Mt Pleasant Sill to the north east of DGO's tenements. The geophysical review has inferred that the Slippery Gimlet / Ora Banda Fault extends to the south west and cross cuts the Orinda Sill within DGO's Ora Banda tenements. The Orinda Sill hosts gold at the Orinda and Mascot prospects to the east of the Ora Banda tenements. Northern Star Limited's (ASX: NST) Paradigm discovery, which has returned recent drill results of 10m at 54.3g/t from 165m and 15m at 15.2g/t from 72m (see NST ASX announcement dated 14 November 2016: "More strong drilling results extend high grade Paradigm discovery to 1km long"), is located approximately 15km to the south of the Ora Banda tenements.

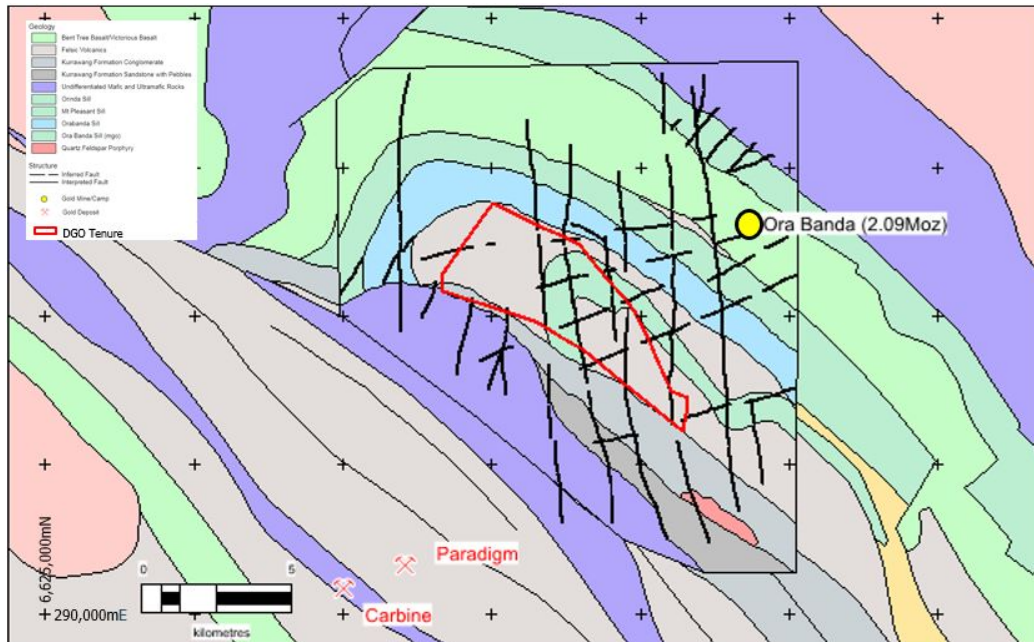


Figure 2 – Ora Banda Geological Interpretation and Regional Setting

DGO's Ora Banda tenements are covered by shallow surficial recent sediments and have been subjected to limited previous exploration. The previous work included wide spaced vertical aircore / RAB drilling (on 320m by 160m and 160m by 80m spacing) in the north west of the holdings, a limited follow up RC drilling program consisting of 9 holes on an 80m by 80m spacing drilled to 150m depth at 60° to the south and an auger geochemical sampling program which defined a moderate tenor gold anomaly within the tenement area (see Figure 3).

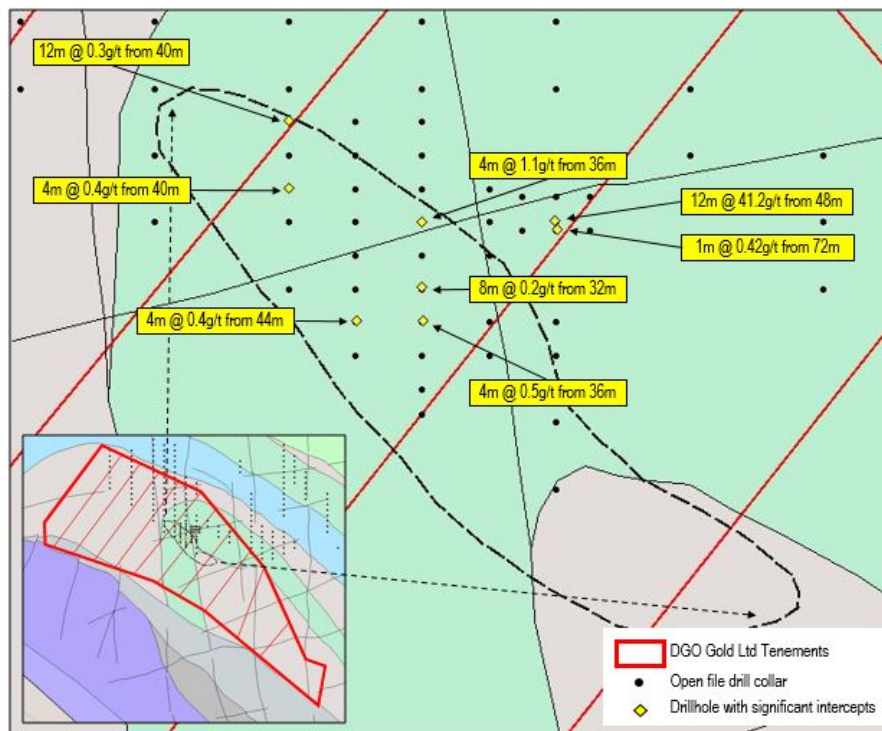


Figure 3: Ora Banda Previous Exploration Data over Geology



The intersection of the inferred extension of the Slippery Gimlet / Ora Banda Fault with the Orinda Sill within the Ora Banda tenements is coincident with the moderate tenor gold anomaly and a number of gold intersections from the previous drilling. The historical RAB drilling returned a better intersection of **12m at 41.2g/t from 48m** (to EOH) to the north west of the gold anomaly. Closer spaced RC drilling returned a peak intersection of 1m at 0.42g/t from 72m in strongly weathered dolerite. The aircore drilling, which generally ranged from 50m to 70m deep, also returned a number of anomalous intersections within the area of the gold anomaly, including 4m at 1.1g/t from 36m and 4m at 0.5g/t from 36m.

### Black Flag – Geophysical Targeting

During the June quarter Terra Resources completed a review of geophysical and past exploration data over the Black Flag tenements, incorporating the RC drilling completed by DGO in December 2016, to refine the targeting for future drill testing.

The Black Flag tenements are dominated by the felsic-intermediate and sedimentary White Flag Formation to the west and the sediments of the Talbot Formation to the east, divided by the north northwest trending Abattoir Shear Zone.

Previous explorers have completed broad spaced lines of predominantly shallow aircore drilling across the tenements which has identified an anomalous gold zone that extends for over 3.0km of strike. Drilling by DGO in December 2016 consisted of three RC holes (BFRC0001 - BFRC0003 for a total of 438m) which returned two broad shallow interesting gold zones, being 40m at 0.2g/t from 20m in BFRC0001 and 52m at 0.2g/t from 60m in BFRC0002 (see DGO December Quarter 2016 Activities Report for further details).

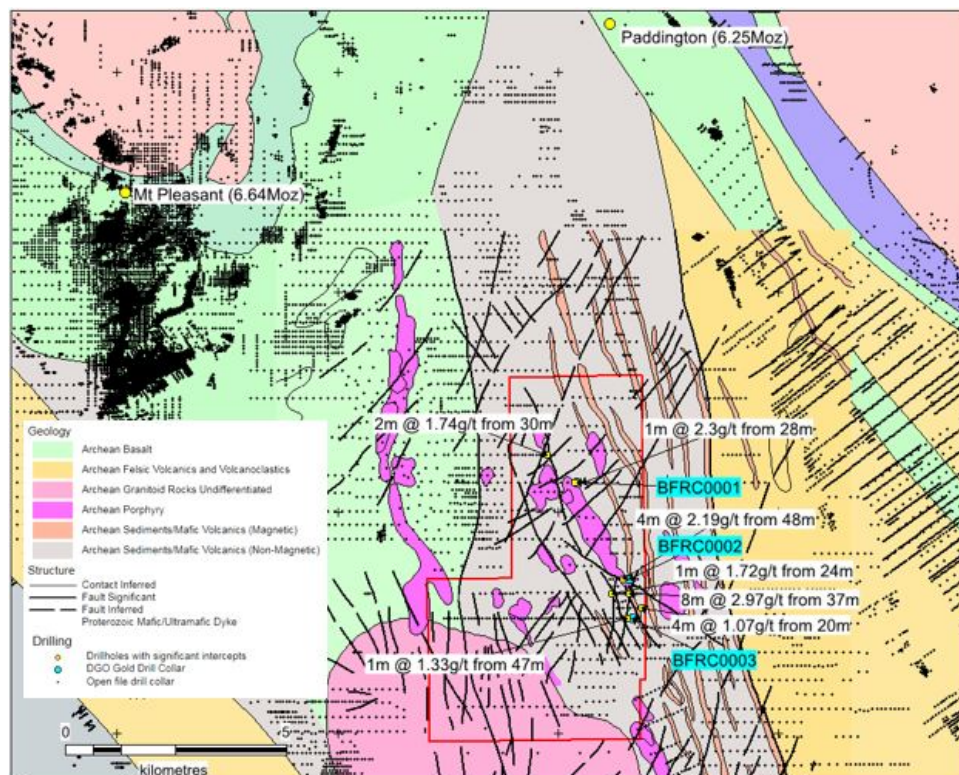


Figure 4 – Black Flag Geological Interpretation, Regional Setting with all Previous Drilling

The updated review and interpretation by Terra Resources has identified several high priority target areas based on cross cutting structures proximal to quartz feldspar porphyries and adjacent to anomalous gold mineralisation from historic shallow drilling (see Figure 5). Dipole-dipole induced polarisation / resistivity surveys may be completed over identified section lines to assist in prioritising drill targeting.

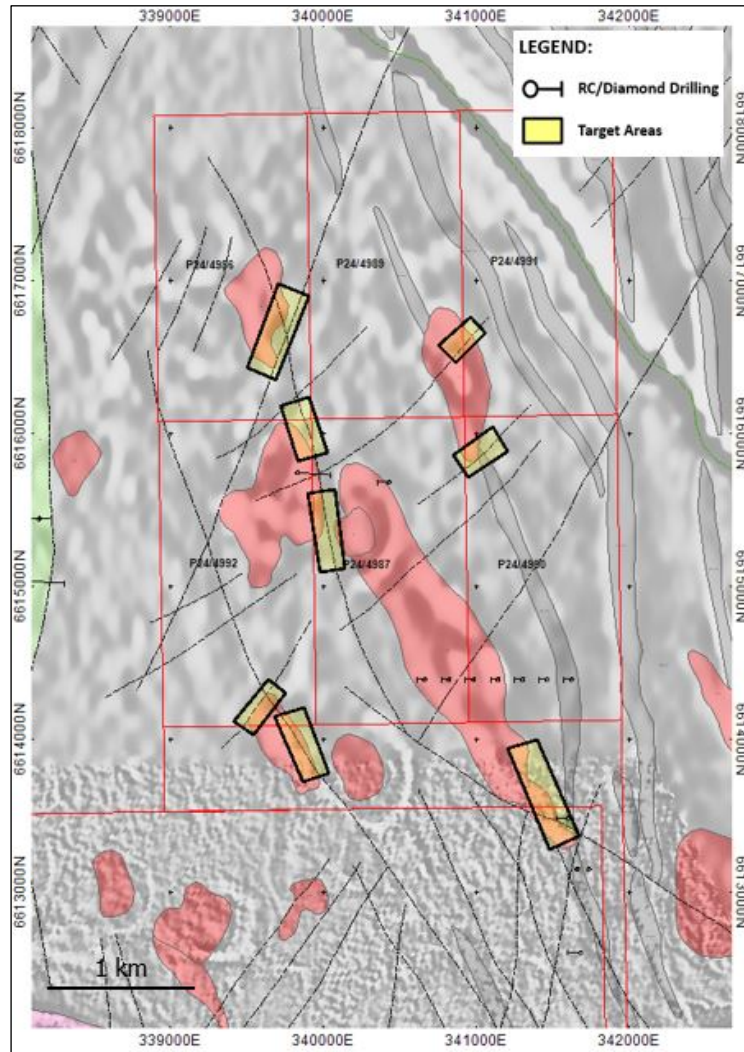


Figure 5: Black Flag Tenements with Identified High Priority Targets showing Previous RC and Diamond Drilling

## YERRIDA BASIN – SEDIMENT HOSTED GOLD and COPPER-COBALT MINERALISATION

DGO's exploration licences in the **Yerrida Basin 100 kilometers north of Meekatharra**, cover an area of 1,655km<sup>2</sup>. The holdings, divided in to the **Johnson Cairn Target** in the west and the **Maraloou Target** in the east (see Figure 6), were expanded during the quarter with the application for an exploration licence at Goodin West.

The Yerrida Basin is prospective for sediment hosted gold and base metal (Cu, Co, Zn, Ni) mineralization (Juderina, Johnson Cairn and Maraloou Formations) based on the long term research by CODES at the University of Tasmania.

The base of the Maralooou Formation has been identified as a high priority target due to its stratigraphic and lithological similarity to the host sequence of the high grade copper mineralisation at the Monty and Degruessa deposits. Past exploration activity has also identified base metal occurrences, including Cu, Pb, Zn, Co, Ni, plus precious metal occurrences within the Maralooou Formation.

Areas adjacent to the Goodin Inlier have also been identified as prospective for sediment hosted (Central African Copper Belt style) copper – cobalt mineralisation based on the mineralisation model developed by CODES.

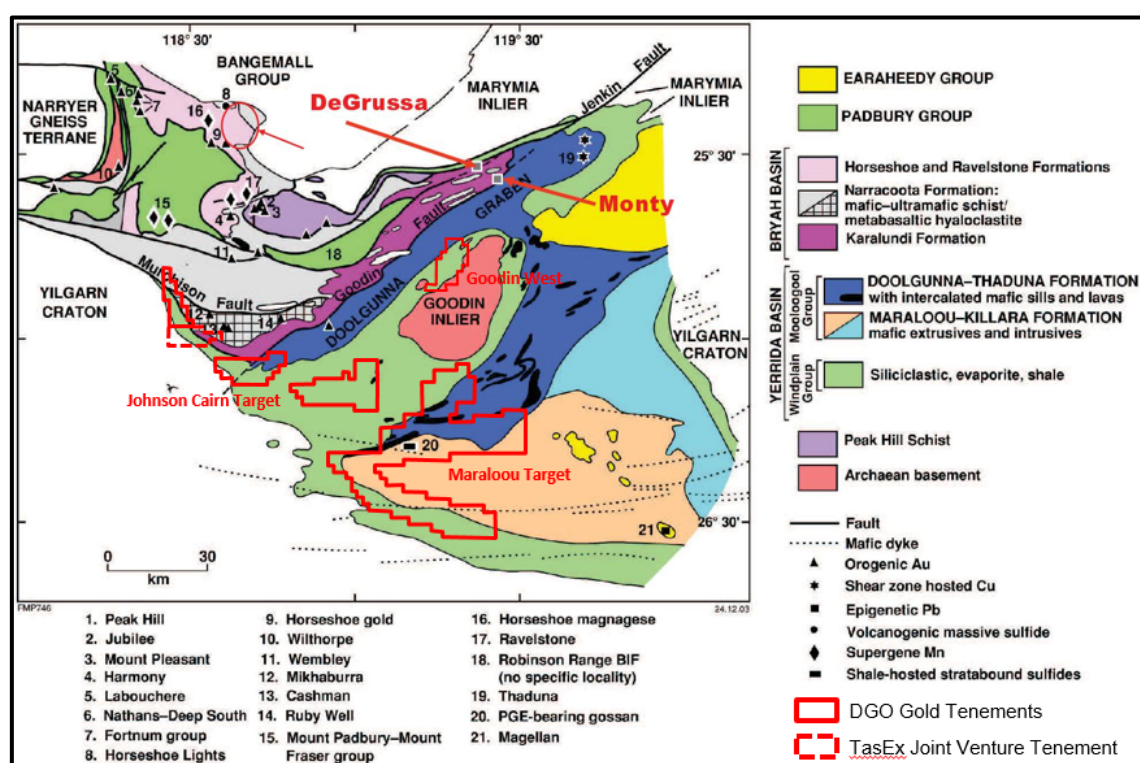


Figure 6: Yerrida / Bryah Basin Geology with DGO's Holdings

## Goodin West

An exploration licence application was lodged at Goodin West during the quarter based on the areas prospectivity for sediment hosted (Central African Copper Belt style) copper – cobalt mineralisation. The application area covers Johnson Cairn and Juderina Formation sediments in contact with the western margin of the Goodin Inlier, with the contact offset by a series of west-northwest – east-southeast trending faults. Initial review of regional geophysical datasets has identified two potential basement highs beneath the sedimentary basin within the area of the application. This geological setting contains a number of the characteristics of the CODES Central African Copper Belt style mineralisation model.

Alluvial gold and gold nuggets have been recovered from areas adjacent to the Goodin West tenement application.



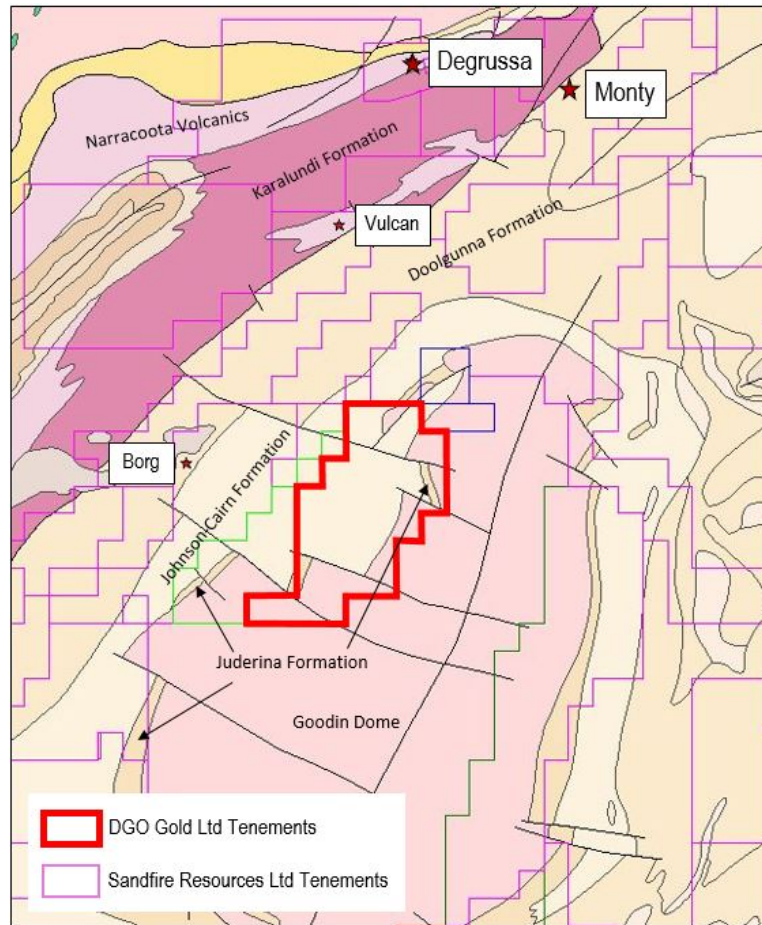


Figure 7: Goodin West Geological Setting

### Geophysical Targeting – Maralooou Target

The analysis, processing and interpretation of available geological and geophysical data over the Maralooou Target tenements by Terra Resources were completed during the June 2017 quarter, with a focus on identifying sediment hosted gold, copper-cobalt and VHMS base metal drill targets.

Previous exploration over the past +30 years in the area of DGO's southern and eastern Maralooou Target tenements has included regional surface sampling (stream sediment, soil and rock chip) by RGC Exploration Pty Ltd (RGC) in the 1990's, a series of wide spaced stratigraphic drill holes carried out by Australian Consolidated Mines Ltd (ACM) over a +45km strike to the east of DGO's south eastern exploration licence (E51/1753) during the early 1980's and a single stratigraphic diamond drill hole, drilled to a depth of 503m, by CRA Exploration (CRA) in 1985 in the eastern portion of E51/1752.

RGC's exploration returned anomalous copper and cobalt from rock chip sampling in areas adjacent to DGO's south eastern (E51/1753) and eastern (E51/1750) including 0.3% Cu and 0.64% Co from Diamond Well 9 and 0.19% Co at Diamond Well 6 (see Figure 8). This data confirmed the presence of cobalt mineralisation within the Maralooou Formation adjacent to the lower contact with the Juderina Formation, with the interpreted cobalt prospective horizon present in the south east and north east portions of DGO's Maralooou target holdings.

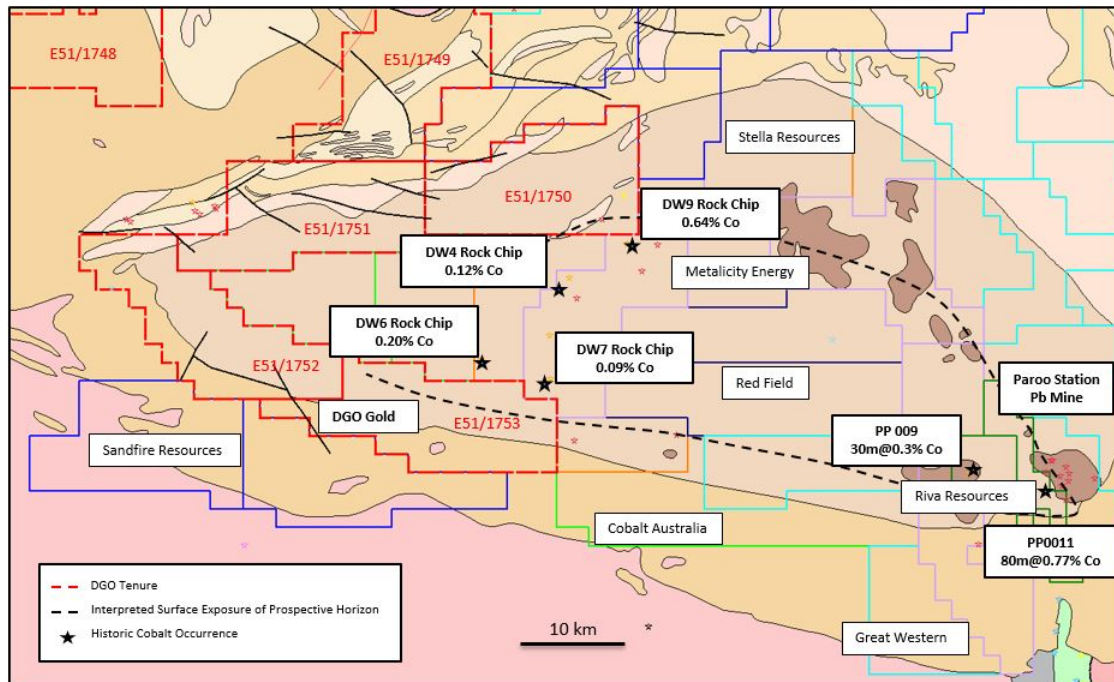


Figure 8: Yerrida Basin Maraloou Formation with Interpreted Cobalt Prospective Horizon

Recent testing by Riva Resources Limited (ASX: RIR) identified the Bubble Well Member, which Riva described “as extensively brecciated, altered, replaced and mineralised” and is potentially a prospective horizon for gold and copper-cobalt mineralisation. The single diamond hole drilled by CRA tested a gravity anomaly and intersected volcanics, which included basalt with minor shale interbeds, associated with the Narracoota/Killara Formation, which hosts the Degruusa and Monty high grade copper deposits to the north

Based on the updated geophysical / geological interpretation and incorporation of historic exploration and recent adjacent exploration activity, Terra Resources has:

- identified a series of sediment hosted copper-cobalt targets associated with the basal contact of the Maraloou Formation with the Juderina Formation (or equivalent) and the interpreted presence of the Bubble Well Member (green polygons) (see Figure 9), and
- updated the previously identified VHMS targets associated with mafic lithologies of the Naracoota / Killara Formations at or adjacent to the basal contact of the Maraloou Formation (yellow polygons) (see Figure 10)



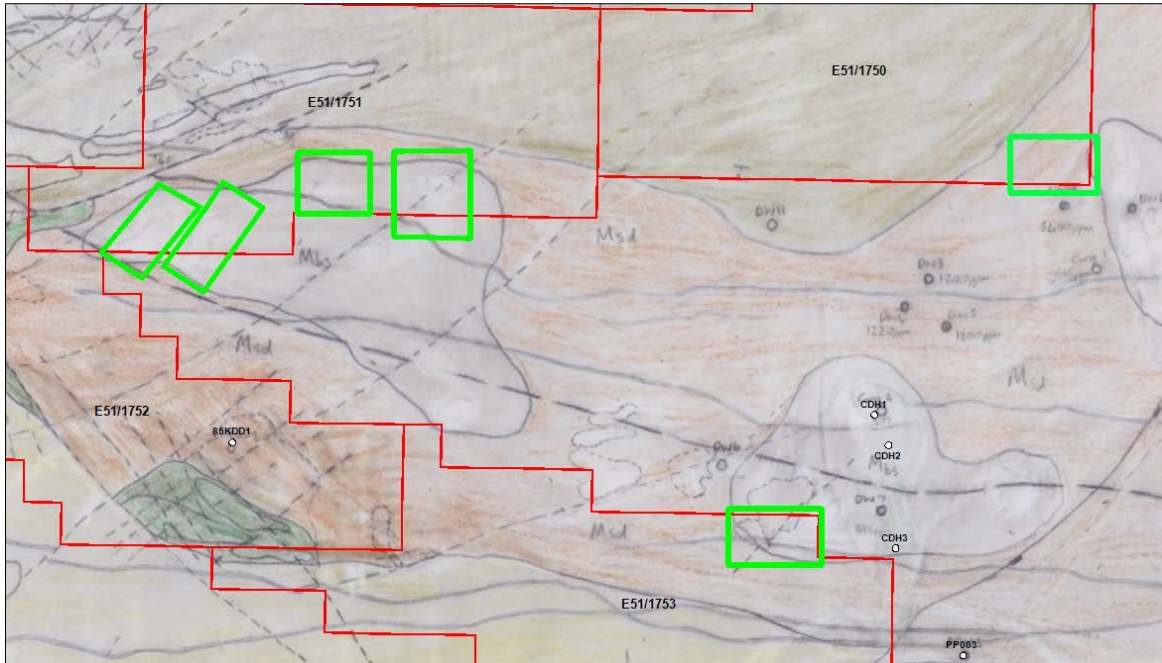


Figure 9: Maraloo Target Tenements with Identified Sedex Cu-Co Target Zones

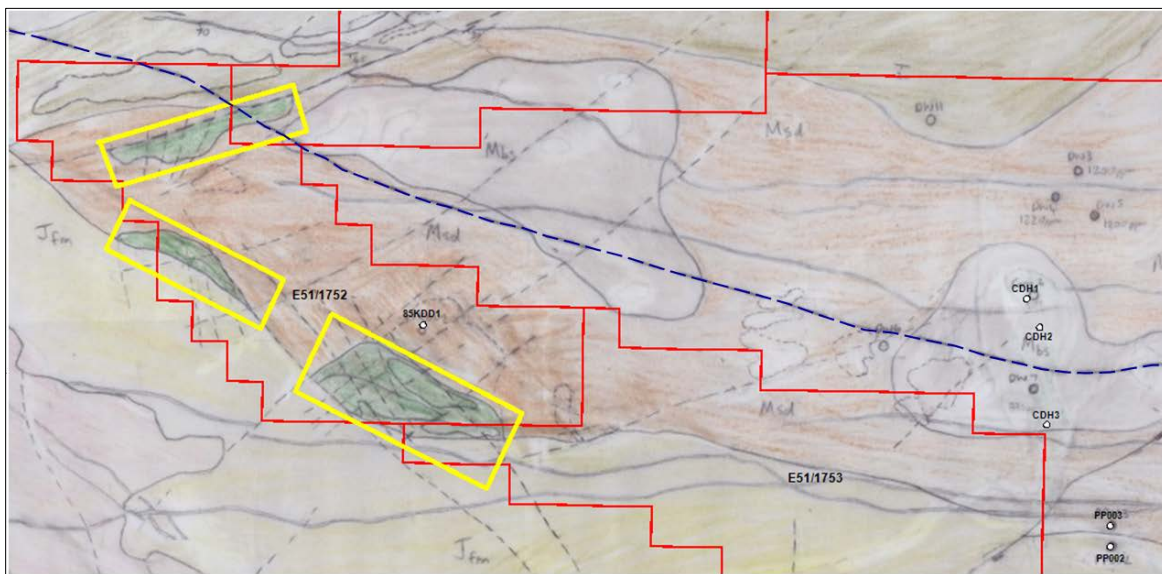


Figure 10: Maraloo Target Tenements with Identified VHMS Targets

## **SOUTH AUSTRALIA – COPPER – COBALT STRATEGY**

DGO lodged applications for five (5) exploration licences in South Australia in the previous quarter, covering a combined area of 3,622 km<sup>2</sup>. The areas under application are considered prospective for sediment hosted (Central African Copper Belt style) copper – cobalt mineralisation and are divided into the Stuart Shelf tenements (Bookaloo North and Bookaloo South) and the Adelaide Fold belt tenements (Blinman, Carrieton and Wirrabara) (see Figure 11).

Research by CODES at the University of Tasmania, including the identification of the prospective Tapley Hill Formation (shale), assisted DGO in identifying areas prospective for copper – cobalt mineralisation under recent sedimentary cover. The Tapley Hill Formation is an organic rich black shale which typically overlies sandstones / clastic sediments above the basement, a setting which correlates very well with the copper-cobalt mineralisation model developed in the Central African (Zambia – DRC) Copper Belt (CACB) by CODES.

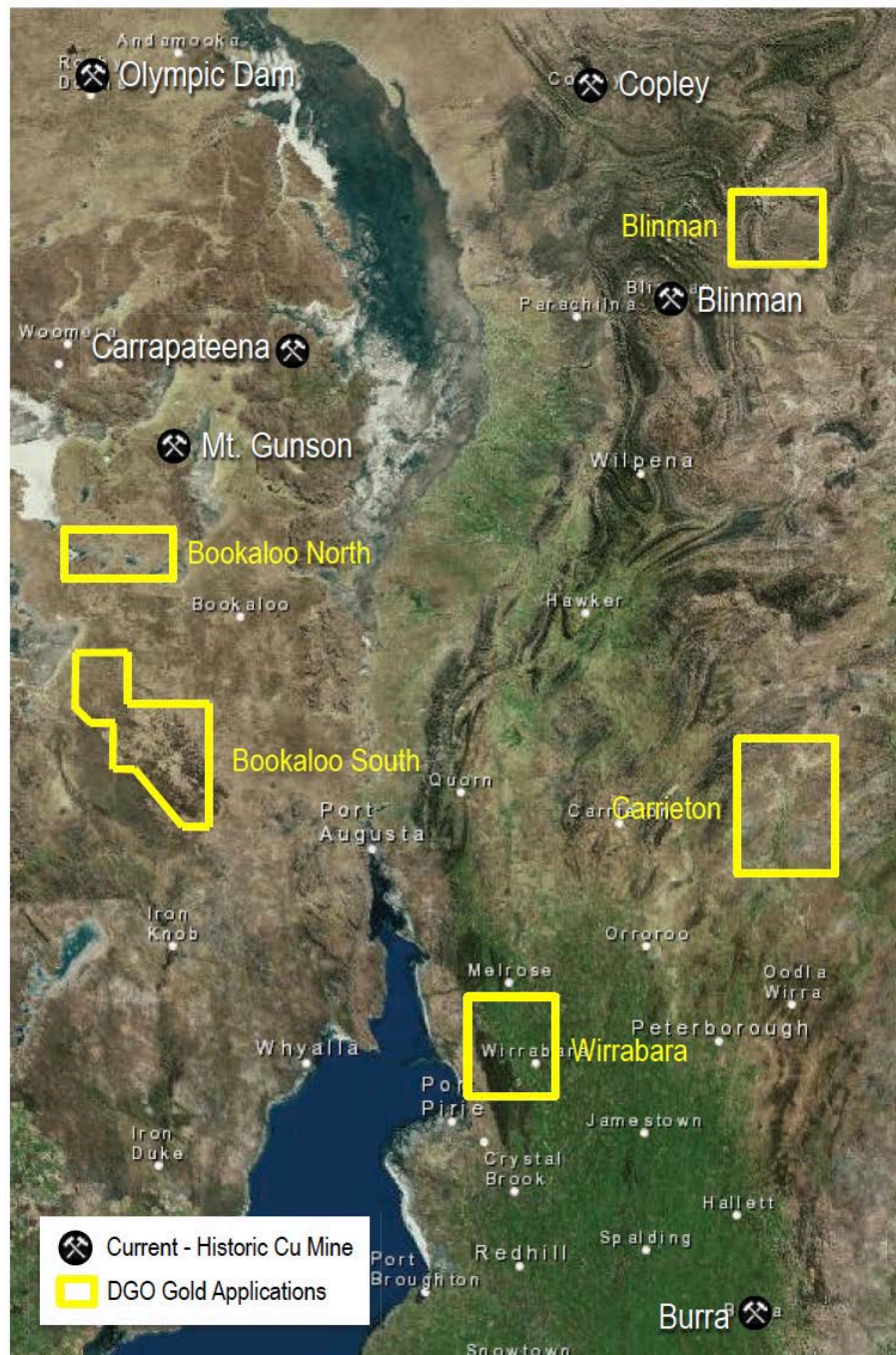


Figure 11: Exploration Licence Applications Stuart Shelf and Adelaide Fold Belt



## Stuart Shelf Tenements

The Bookaloo North and Bookaloo South exploration licence applications are located 30km south west and 45km south respectively of the Mt Gunson copper – cobalt mine. The Mt Gunson copper – cobalt mine, located about 135km north of Port Augusta, is a historic mining centre with production of approximately 145,000 tonnes of copper and a current JORC 2012 compliant resource of 20.8Mt at 1.0% Cu and 0.05% Co (see Torrens Mining Limited website <http://torrensmining.com.au>). This resource is within two deposits, MG14 and Windabout, hosted within the Tapley Hill Formation dolomitic black shale which unconformably overlies the Pandurra Formation “Redbed” clastic sediments (“basement high”). The Tapley Hill Formation is overlain by the Whyalla Sandstone in the areas of mineralisation at Mt Gunson. The Mt Gunson deposits are situated at the northern margin of a north east trending graben filled with basalts of the Gawler Range Volcanics (GRV).

At Bookaloo North a folded sequence of Tapley Hill Formation sediments in contact with the Pandurra Formation outcrops to the immediate east of, and trends in to, the application area. Copper prospects and occurrences have been identified to the east of Bookaloo North, adjacent to the area of outcropping Tapley Hill Formation sediments.

Examination of core from two diamond holes (LD24 and LD25) collared just to the south of the application area identified Whyalla Sandstone beneath shallow cover, overlying an unnamed siltstone and the Tapley Hill Formation underlain by Pandurra Formation sandstones (or equivalent). The basal Tapley Hill Formation shales are organic-rich and reduced, with evidence that the reduced fluids have moved out of the Tapley Hill Formation in to the underlying sandstones. This type of process is seen as crucial ground preparation for the footwall sandstone hosted ores that are important elements of Central African Copper Belt type systems. The historical drilling indicates that this prospective redox boundary is at depths of <200m throughout the tenement, whilst the target area adjacent to the important magnetic lineament is untested with diamond drilling.

The Bookaloo South application area is cross cut by north east magnetic lineaments similar to those at Mt Gunson, with the lineaments cross cutting an area of generally outcropping Pandurra Formation basement high. The upper contact of the Pandurra Formation, the prospective horizon at Mt Gunson, is present under cover in the eastern and western portions of the application area and is also cross cut by the magnetic lineaments.

Review of stratigraphic data within the application area has identified two prospective areas where the upper contact of the Pandurra Formation and/or the basal contact of the Tapley Hill Formation is present under cover. There are no diamond drill holes within or adjacent to the application area, however there are a number of RC holes that have been reviewed within the prospective areas.

Four RC holes adjacent to the interpreted north east magnetic trending lineament intersected Whyalla Sandstone overlying Pandurra Formation and siltstone thought to be the equivalent of the Tapley Hill Formation, the mineralised positions at Mt Gunson, at depths of <100m.



A detailed compilation and review of geochemistry from the drilling completed within the Bookaloo North and Bookaloo South tenement applications is to be completed in the current quarter as the next phase of evaluation work. This will be particularly constructive in the prospective areas at Bookaloo South where historical drilling has been completed in areas of shallow basement proximal to the north east trending magnetic lineaments.

### **Adelaide Fold Belt Tenements**

The Blinman application is located 15km north east of the historic Blinman copper mine, the Carrieton application is 50km north of Peterborough and adjacent to DGO's Dawson exploration licences, Wirrabara is located 25km north east of Port Pirie. An evaluation of these application areas commenced during the quarter based on geophysical, stratigraphic and open file drilling data.

The historic Blinman copper mine, which operated between 1862 and 1907, and a number of related copper occurrences are associated with the Tapley Hill Formation in an apparent domal structure. There are up to 10 reported copper occurrences within the application area and significant open file drilling data over the nearby Blinman mine. Initial evaluation of geochemistry from this data indicates elevated copper and cobalt levels adjacent to the basal contact of the Tapley Hill Formation.

**Carrieton** contains up to 90km of strike of the Tapley Hill Formation which is mostly under cover and has been interpreted to have been subjected to complex folding. There are two known copper occurrences on the application area, despite the majority of the prospective sequence being masked by recent cover. Initial review of historic exploration data from this area has identified that the only previous drilling consisted of very shallow (20 – 31m) very wide spaced RAB holes which were most likely ineffective.

There are nine reported copper occurrences and approximately 60km of strike of the Tapley Hill Formation within the **Wirrabara** application area. The Tapley Hill Formation has been folded within the exploration licence application area, with a broad syncline and a tight anticline, and there is a syn-sedimentary fault located in the north east of the area. CRA Exploration completed limited RC drilling in the south east of the application area in 1979/1980.

### **LAND HOLDINGS**

DGO now holds tenure covering a total of 7,044km<sup>2</sup> (under application, joint venture or granted) across Western Australia and South Australia covering some of the high priority targets identified by the CODES research. See Table 1 for a full listing of tenements.

The Mt Barker exploration licence EL5946 (former application E2016/00017) was granted during the quarter. During the quarter DGO applied for an exploration licence in the Yerrida Basin (E51/1833) and an exploration licence in the Dawson area (E2017/00091).

|                   | Tenements - Granted                  | Tenements - Applications | Area (km2)  |
|-------------------|--------------------------------------|--------------------------|-------------|
| Western Australia |                                      |                          |             |
| Mt Edwards        | E15/1465, 1488, 1514                 |                          | 81          |
| Ora Banda         | P24/4946 - 4956                      |                          | 22          |
| Black Flag        | P24/4986 - 4992, E24/197             |                          | 32          |
| Mallina           | E47/3327 - 3329                      |                          | 245         |
| Yerrida Basin     | E51/1590, 1729, 1730,<br>1748 - 1753 | E51/1833                 | 1655        |
| Lake Randall JV   |                                      | E15/1573                 | 53          |
| <i>Sub-Total</i>  |                                      |                          | <b>2088</b> |
| South Australia   |                                      |                          |             |
| Mt Barker         | EL5770, EL5812, EL5946               |                          | 328         |
| Dawson            | EL5737, EL5876, EL5877               | E2017/00091              | 861         |
| Yerelina          | EL5813                               |                          | 145         |
| Bookaloo          |                                      | E2017/00049, E2017/00050 | 1469        |
| Blinman           |                                      | E2017/00051              | 626         |
| Carrieton         |                                      | E2017/00052              | 772         |
| Wirrabara         |                                      | E2017/00053              | 755         |
| <i>Sub-Total</i>  |                                      |                          | <b>4956</b> |
| <b>TOTAL</b>      |                                      |                          | <b>7044</b> |

Table 1: DGO Tenement Holdings as at 30 June 2017

## CORPORATE

On 22 June 2017 DGO issued 2,898,666 fully paid ordinary shares at an issue price of \$0.25 per share (raising \$724,666.50) and issued 2,898,666 free attaching options exercisable at \$0.40 on or before 30 June 2020 pursuant to the non-renounceable entitlement offer.

On 26 June 2017, DGO completed a placement of 869,593 fully paid ordinary shares at an issue price of \$0.25 per share (raising \$217,398.25) and 869,593 free attaching options exercisable at \$0.40 on or before 30 June 2020 to Ginga Pty Ltd in its capacity as trustee for the Thomas G Klinger Family Trust.

At the date of this report there are 9,565,527 fully paid ordinary shares on issue and 3,768,259 options exercisable at \$0.40 on or before 30 June 2020 on issue.



Eduard Eshuys  
EXECUTIVE CHAIRMAN

**Competent person statement**

*Exploration or technical information in this release has been prepared by **Mr. Ian Prentice BSc**, who is a consultant to DGO Gold Limited and a Member of the Australian Institute of Mining and Metallurgy. Mr. Prentice has sufficient experience which is relevant to the style of mineralisation under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code). Mr. Prentice consents to the report being issued in the form and context in which it appears.*



# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

DGO Gold Limited

ABN

96 124 562 849

Quarter ended ("current quarter")

30 June 2017

### Consolidated statement of cash flows

| Cash flows related to operating activities        |  | Current quarter<br>\$A'000 | Year to date<br>(12 months)<br>\$A'000 |
|---|--|----------------------------|--|
| 1.1   | Receipts from product sales and related debtors            | -                          | -                                      |
| 1.2   | Payments for (a) exploration & evaluation                  | (167)                      | (494)                                  |
|   | (b) development  | -                          | -                                      |
|   | (c) production   | -                          | -                                      |
|   | (d) administration   | (40)                       | (356)                                  |
| 1.3   | Dividends received   |                            |  |
| 1.4   | Interest and other items of a similar nature received      | 0                          | 4                                      |
| 1.5   | Interest and other costs of finance paid                   | -                          | -                                      |
| 1.6   | Income taxes refunded                                      | -                          | -                                      |
| 1.7   | Other (research and development tax offset)                | -                          | 503                                    |
| <b>Net Operating Cash Flows</b>                   |  | <b>(207)</b>               | <b>(343)</b>                           |
| <b>Cash flows related to investing activities</b> |  |                            |  |
| 1.8   | Payment for purchases of: (a) prospects                    | -                          | -                                      |
|   | (b) equity investments (i)                                 | -                          | -                                      |
|   | (c) other fixed assets                                     | -                          | -                                      |
| 1.9   | Proceeds from sale of: (a) prospects                       | -                          | -                                      |
|   | (b) equity investments                                     | -                          | -                                      |
|   | (c) other fixed assets                                     | -                          | -                                      |
| 1.10  | Loans to other entities                                    | -                          | -                                      |
| 1.11  | Loans repaid by other entities                             | -                          | -                                      |
| 1.12  | Other (sale of Mt Coolon Gold Mines Pty Ltd)               | -                          | -                                      |
| <b>Net investing cash flows</b>                   |  | <b>-</b>                   | <b>-</b>                               |
| 1.13  | Total operating and investing cash flows (carried forward) | <b>(207)</b>               | <b>(343)</b>                           |

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

|      |  |            |            |
|------|--|------------|------------|
| 1.13 | Total operating and investing cash flows (brought forward) | (207)      | (343)      |
|      | <b>Cash flows related to financing activities</b>          |            |            |
| 1.14 | Proceeds from issues of shares, options, etc.              | 942        | 942        |
| 1.15 | Proceeds from sale of forfeited shares                     | -          | -          |
| 1.16 | Proceeds from borrowings                                   | -          | -          |
| 1.17 | Repayment of borrowings                                    | -          | -          |
| 1.18 | Dividends paid   | -          | -          |
| 1.19 | Other (share issue costs)                                  | (6)        | (6)        |
|      | <b>Net financing cash flows</b>                            | <b>936</b> | <b>936</b> |
|      | <b>Net increase (decrease) in cash held</b>                | <b>729</b> | <b>593</b> |
| 1.20 | Cash at beginning of quarter/year to date                  | 230        | 366        |
| 1.21 | Exchange rate adjustments to item 1.20                     | -          | -          |
| 1.22 | <b>Cash at end of quarter</b>                              | <b>959</b> | <b>959</b> |

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

|      |  |                            |
|------|--|----------------------------|
|      |  | Current quarter<br>\$A'ooo |
| 1.23 | Aggregate amount of payments to the parties included in item 1.2 | 69                         |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10   | -                          |

1.25 Explanation necessary for an understanding of the transactions

N/A

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

|     |                             |                        |
|-----|-----------------------------|------------------------|
|     | Amount available<br>\$A'ooo | Amount used<br>\$A'ooo |
| 3.1 | Loan facilities             | -                      |

+ See chapter 19 for defined terms.

|     |                             |   |   |
|-----|-----------------------------|---|---|
| 3.2 | Credit standby arrangements | - | - |
|-----|-----------------------------|---|---|

### Estimated cash outflows for next quarter

|                                | \$A'ooo    |
|--------------------------------|------------|
| 4.1 Exploration and evaluation | 175        |
| 4.2 Development                | -          |
| 4.3 Production                 | -          |
| 4.4 Administration             | 137        |
| <b>Total</b>                   | <b>298</b> |

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

|  | Current quarter<br>\$A'ooo | Previous quarter<br>\$A'ooo |
|--|----------------------------|-----------------------------|
| 5.1 Cash on hand and at bank                     | 959                        | 230                         |
| 5.2 Deposits at call                             | -                          | -                           |
| 5.3 Bank overdraft                               | -                          | -                           |
| 5.4 Other (provide details)                      | -                          | -                           |
| <b>Total: cash at end of quarter (item 1.22)</b> | <b>959</b>                 | <b>230</b>                  |

### Changes in interests in mining tenements

|   | Tenement<br>reference | Nature of interest<br>(note (2))              | Interest at<br>beginning<br>of quarter | Interest at<br>end of<br>quarter |
|---|-----------------------|---|--|----------------------------------|
| 6.1 Interests in mining tenements relinquished, reduced or lapsed |                       | Nil   |  |                                  |
| 6.2 Interests in mining tenements acquired or increased           | EL5946                | Mt Barker exploration licence South Australia | Nil                                    | 100%                             |

+ See chapter 19 for defined terms.



**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

|      |  | Total number | Number quoted | Issue price per security (see note 3) (cents) | Amount paid up per security (see note 3) (cents) |
|------|--|--------------|---------------|---|--|
| 7.1  | <b>Preference securities</b><br>(description)                    | -            | -             | -   | -  |
| 7.2  | Changes during quarter   | -            | -             | -   | -  |
|      | (a) Increases through issues                                     |              |               |   |  |
|      | (b) Decreases through returns of capital, buy-backs, redemptions | -            | -             | -   | -  |
| 7.3  | <b>+Ordinary securities</b>                                      | 9,565,527    | 9,565,527     | N/A   | N/A  |
| 7.4  | Changes during quarter   |              |               |   |  |
|      | (a) Increases through issues                                     | 3,768,259    | 3,768,259     | \$0.25  | \$0.25   |
|      | (b) Decreases through returns of capital, buy-backs              | -            | -             | -   | -  |
| 7.5  | <b>+Convertible debt securities</b><br>(description)             | -            | -             | -   | -  |
| 7.6  | Changes during quarter   | -            | -             | -   | -  |
|      | (a) Increases through issues                                     |              |               |   |  |
|      | (b) Decreases through securities matured, converted              | -            | -             | -   | -  |
| 7.7  | <b>Options</b><br>(description and conversion factor)            | 3,768,259    | -             | <i>Exercise Price</i><br>\$0.40               | <i>Expiry date</i><br>30 June 2020               |
| 7.8  | Issued during quarter  | 3,768,259    | -             | \$0.40  | 30 June 2020                                     |
| 7.9  | Exercised during quarter   | -            | -             | -   | -  |
| 7.10 | Expired during quarter   |              |               |   |  |
| 7.11 | <b>Debentures</b><br>(totals only)                               | -            | -             | -   | -  |

+ See chapter 19 for defined terms.

|      |                                      |   |   |   |   |
|------|--------------------------------------|---|---|---|---|
| 7.12 | <b>Unsecured notes (totals only)</b> | - | - | - | - |
|------|--------------------------------------|---|---|---|---|

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: ..... Date: 31/07/2017  
(Company Secretary)  
Print name: Michael J Ilett

## 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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 Accounting Standards ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

== == == == ==

---

+ See chapter 19 for defined terms.