

**QUARTERLY ACTIVITIES REPORT & APPENDIX 5B**
**3 MONTHS TO 31 MARCH 2017**

Highlights for the quarter ending 31 March 2017 (the **Quarter**) are summarised below:

**Miraflores Gold Project (the Project or Miraflores)**

Positive momentum and progress has been achieved on the Feasibility Study (the **Study**) with completion anticipated in third quarter 2017. Following commissioning of the Study in November 2016 important milestones were achieved during the Quarter. Most notable workstreams included:

- Upgraded Mineral Resource Estimate (JORC 2012).
- Detailed surveying of the surface for development of the mine portal, haul roads and run of mine (**ROM**) pad, processing plant, surface infrastructure and the tailings facility.
- Design of the underground mine including the main decline, mine cross cuts, ore development drives and geotechnical assessment of ground conditions for mine support requirements and stope backfilling requirements.
- Design of the processing plant and infrastructure layout including development of the detailed equipment lists was advanced during the Quarter.
- Metallurgical testwork has confirmed recoveries of gold and silver used in previous studies. Metallurgical testwork to confirm the process design adopted for the Miraflores ore has commenced.
- Commencement of work on the ventilation system, water, compressed air and electrical reticulation and mine dewatering system and mining schedule and processing schedule.
- Identification of the preferred power line route from Quinchia to the Miraflores site.
- Water generated by mining operations has been analysed and forecast to be sufficient (volume/quality) water for the mine and processing plant. Licencing of a standby water allocation will also be undertaken to guarantee a permanent water supply.
- Engagement with the local communities, municipality and government agencies and other stakeholders for the acceptance of the Project and gaining a social licence for the Project.

The critical path for the development of Miraflores remains the completion of the baseline monitoring for the Environmental Licence (**EIA**). It is expected that the submission of the EIA application to the relevant authorities will be by the end of 2017.

**Los Calatos Project - Peru**

- Work on the pre-feasibility study continued during the Quarter.

**Corporate**

- The Company's cash position was approximately \$10,000 at the end of the Quarter. In April 2017 approximately \$300,000 was received from the Redfield Convertible Note facility with the remaining \$450,000 to be received no later than 12 May 2017. Additional funds are to be received on a monthly basis for 18 months from the funding facility with Lanstead Capital LP (refer Corporate section).
- During the Quarter the Company received approximately \$1.8 million net of costs following completion of the second tranche of the placement announced 17 November 2017.
- Following shareholder approval the Company completed a consolidation of its securities in the ratio of 50:1 early January 2017.

Mr William Howe, Managing Director, commented: *"The execution of the Miraflores Gold Project Feasibility Study continues to advance towards completion. The studies and work to date are highly encouraging and are aligned with management expectations with results to date confirming the results of the Scoping Study announced 8 September 2016. The Company's firm target of becoming a gold producer with the planned development of the Miraflores Project in the first quarter 2019 is unchanged. The Company is appreciative of the support of the Redfield Group which has provided additional funding when needed to ensure continuity of the Feasibility Study work.*

*At Los Calatos, work towards completion of the pre-feasibility study is progressing well. We are highly positive towards the outcome of this study in light of steadily improving copper fundamentals.*

*The Quarter has seen the Company make positive steps towards the delivery of feasibility studies at both Miraflores and Los Calatos as well as establish and build important sustainable relationships with project stakeholders. The Company looks forward to providing further updates during the year."*

**MIRAFLORES PROJECT – COLOMBIA****Feasibility Study (FS)**

The Miraflores Gold Project represents a near-term gold development opportunity, with a Measured and Indicated Mineral Resource of 9.27 million tonnes at 2.82g/t gold and 2.77g/t silver (840,000 oz Au and 826,000 oz Ag) at a cut-off grade of 1.2 g/t. The Company commissioned a feasibility study in November 2016 with an estimated completion date during 2017. The feasibility study is focussed on an underground operation producing approximately 50,000 ounces of gold per annum for 9 years as projected by the Scoping Study announced 8 September 2016. The Feasibility Study is now 50% completed with remaining work being the mining schedule, processing schedule, capital and operating costs, final tailings facility design and financial modelling.

**Updated Mineral Resource Estimate**

An updated Mineral Resource Estimate was completed in March 2017 and released to the market on 14 March 2017.

Metal Mining Consultants (**MMC**) were retained by Metminco to produce a mineral resource that is estimated in accordance with the guidelines of the JORC Code (2012 Edition), but which only provided for the exploitation of the Miraflores deposit via an underground mining operation, hence a higher cut-off grade of 1.2g/t gold. This mineral resource estimate was released to the market on 21 July 2016. Further refinement of the block model included the definition of the breccia types and lithologies within the breccia pipe resulting in the assignment of specific gravity averages for each lithology defined whereas previously the specific gravity results were averaged for the entire breccia. The inferred grade has also increased substantially from the previous estimate due to the definition of further blocks on confirmation of the defined veins within the breccia system. The revised mineral resource estimate is summarized in Tables 1 and 2 below.

**Table 1: Mineral Resource Estimate – Miraflores Gold Project (MMC March 2017).**

Classification	Tonnes (000's)	Au (g/t)	Ag (g/t)	Oz Au (000's)	Oz Ag (000's)
Measured	2,958	2.98	2.49	283	237
Indicated	6,311	2.74	2.90	557	588
<b>Measured &amp; Indicated</b>	<b>9,269</b>	<b>2.82</b>	<b>2.77</b>	<b>840</b>	<b>826</b>
Inferred	487	2.36	3.64	37	57

Note:

- i) Based on a gold cut-off grade of 1.2g/t.
- ii) Rounding-off of numbers may result in minor computational errors, which are not deemed to be significant.

**Table 2: Sensitivity of Mineral Resource to varying gold cut-off grades.**

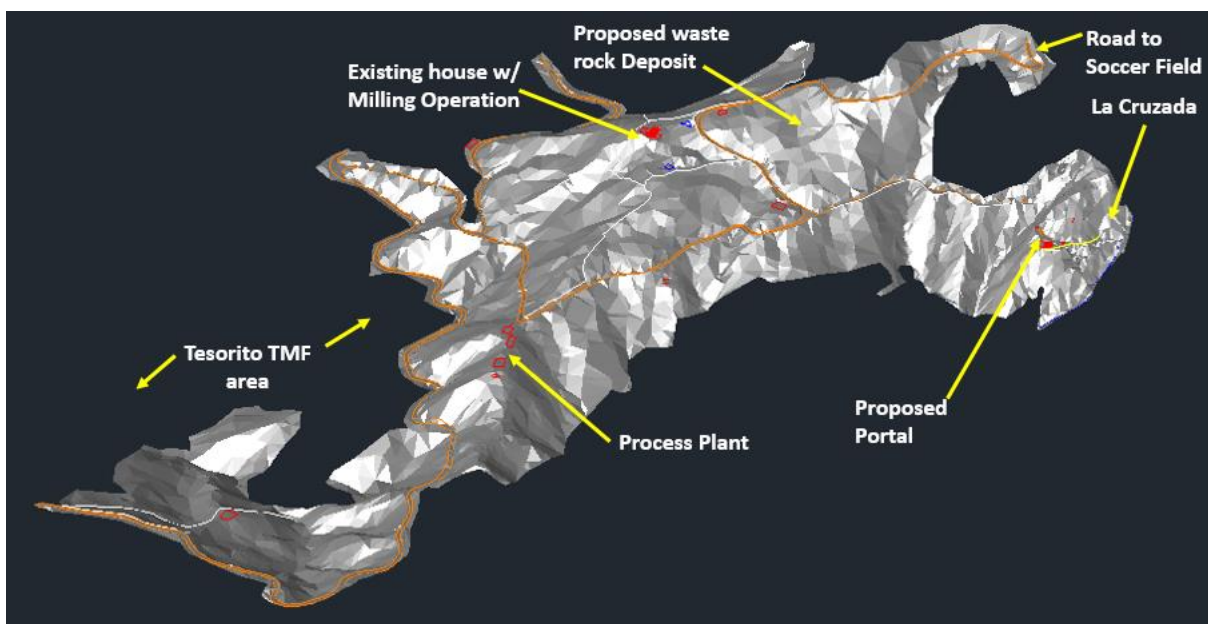
Measured and Indicated Mineral Resource (Breccia and Veins)					
Cut-off (Au g/t)	K Tonnes	Au (g/t)	Au (Koz)	Ag (g/t)	Ag (Koz)
0.60	23,584	1.61	1,221	2.13	1,615
0.70	19,095	1.83	1,123	2.27	1,394
0.80	15,968	2.04	1,047	2.40	1,232
0.90	13,663	2.24	984	2.52	1,107
1.00	11,848	2.44	929	2.63	1,002
1.10	10,440	2.63	883	2.72	913
<b>1.20</b>	<b>9,269</b>	<b>2.82</b>	<b>840</b>	<b>2.77</b>	<b>826</b>
1.30	8,414	2.98	806	2.84	768
1.40	7,681	3.13	773	2.90	716
1.50	7,030	3.29	744	2.97	671

Inferred Mineral Resource (Breccia only)					
Cut-off (Au g/t)	K Tonnes	Au (g/t)	Au (Koz)	Ag (g/t)	Ag (Koz)
0.60	1,904	1.12	69	3.22	197
0.70	766	1.82	45	3.06	75
0.80	670	1.98	43	3.18	68
0.90	598	2.12	41	3.39	65
1.00	547	2.22	39	3.49	61
1.10	527	2.27	38	3.51	59
1.20	487	2.36	37	3.64	57
1.30	466	2.41	36	3.72	56
1.40	340	2.80	31	2.64	29
1.50	267	3.17	27	2.49	21

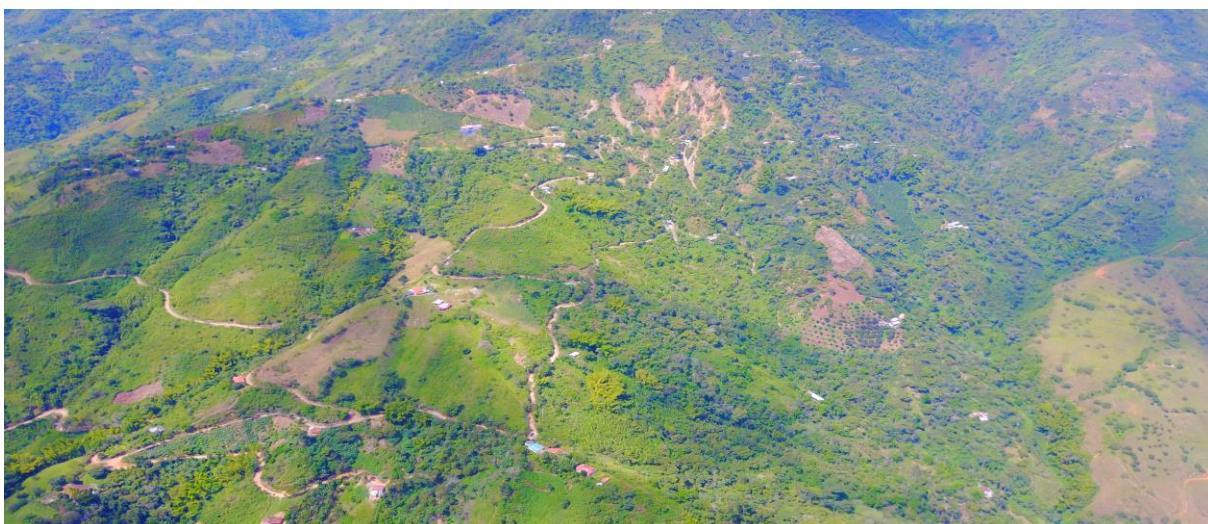
### Detailed Survey

Detailed surveying of the surface areas covering the mine, processing plant and surface infrastructure was undertaken during the Quarter (Figure 1 and 2). Surveying of the tailings facility area is in the process of being completed.

**Figure 1: Area of detailed surface survey**



**Figure 2: Air photo of area covered by detailed survey. Miraflores breccia pipe in top centre of photo**



### Mine Layout and Design

The mine will be developed as an underground operation only. The mine will be accessed from a single portal located immediately adjacent to the La Cruzada tunnel which is located immediately to the right of the buildings at the bottom of the photo seen below (Figure 3). Cross cuts through the breccia pipe will allow driving on ore for each vein system in two directions, retreating to the central crosscut followed by pillar extraction. The mining method employed will be long hole retreat with some backfill required where mining operations commence at the base of the vein and advance vertically upwards.

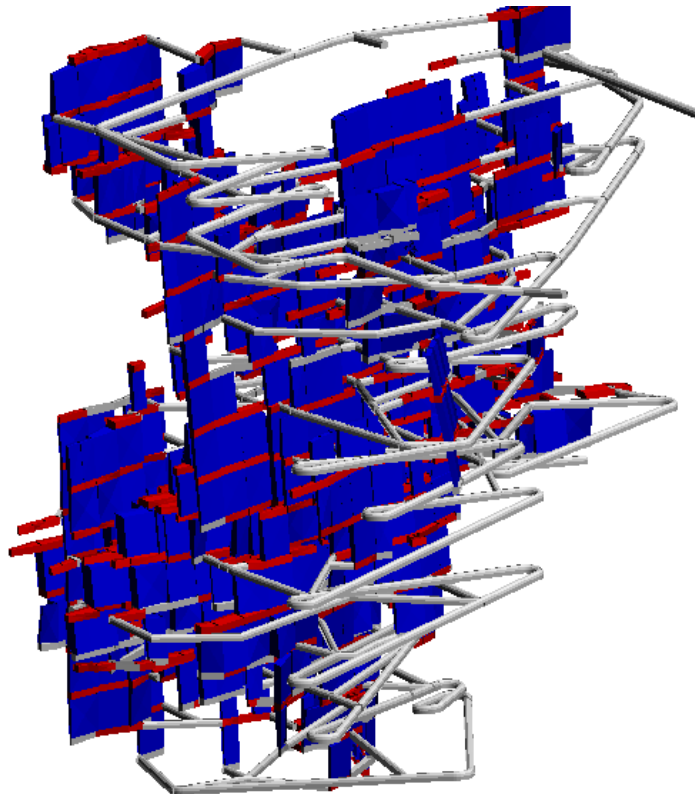
**Figure 3: Location of the La Cruzada tunnel and proposed new portal position**



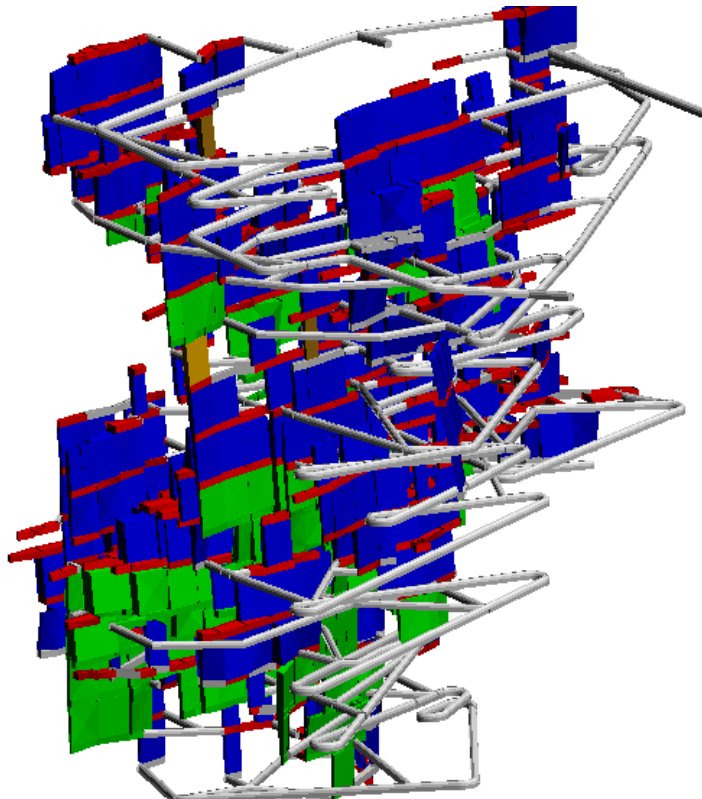
Backfill operations are not contemplated for structural control. Some use of split sets and/or bolting with wire meshing and grout will be required where faults are encountered. Final positioning of the ventilation raise to surface (escapeway or second outlet) and power, water and compressed air requirements for the mining operations are expected shortly.

The mining schedule including the development and stoping schedules, which will form the basis for the production schedules for the financial modelling, are also expected shortly. Figures 4 and 5 provide a 3D view of the mine development layout and proposed stoping and backfilling arrangements for the life of the underground mine and which form the basis for the underground mine schedules.

**Figure 4: Mine infrastructure layout and mining blocks**



**Figure 5: Mine infrastructure layout and mining blocks with backfilled stopes in green**



## Metallurgical Testwork, Processing Plant and Infrastructure Layout and Design

### Metallurgical Testwork

The Company has undertaken metallurgical testwork to confirm previous results that have been used in the current process design. Two composite samples representing the upper and lower parts of the orebody were sent to Inspectorate Laboratory (**Inspectorate**) in Vancouver, Canada. Water from the La Cruzada tunnel was also sent to Inspectorate to test whether water quality could have an effect on gold recovery.

The test program is to be carried out in two phases. Phase I testwork is nearing completion with results received to date discussed below. The objectives of the metallurgical testing program are:

- Phase I - To conduct metallurgical testwork to confirm previous results following conditions established from the FS test program, and to obtain additional design parameters,
- Phase II - To generate sufficient concentrate and tailings for additional testing by potential vendors for the plant equipment.

As stated the test program has centered on confirmatory testing of two Miraflores composite samples representing mill feed ore for the first and second 4 yearly mining periods, following the process flowsheet developed in the FS test program. In addition, a separate whole HQ core sample was provided for further comminution testing including Unconfined Compressive Strength (UCS) Tests, Bond Impact Crushing Work Index and Bond Rod Mill Work Index tests.

The Phase II testwork will follow completion of the Phase I program.

Phase 1 Testwork Results;

- Bond Rod Mill Grindability Test – W (kWh/ton) = 21.3; W (kWh/tonne) = 23.4
- Bond Low Impact Crusher Test – Crusher Work Index (kW-hr/tonne) = 15.8
- Bond Mill Grindability Test (Lower Orebody Composite) - W (kWh/ton) = 16.9; W (kWh/tonne) = 18.6
- Bond Mill Grindability Test (Upper Orebody Composite) - W (kWh/ton) = 17.0; W (kWh/tonne) = 18.7
- Unconfined Compression Test (UC) of Intact Rock Core Specimens – Compressive Strength MPa – 78.6 and 81.7
- Laboratory water versus mine water effect on gold recovery; the laboratory has reported that no effect on gold recovery was recorded between usage of mine and laboratory water.
- Recovery of gold into a cleaner concentrate has confirmed the recovery used in the previous studies of approximately 91%. Cyanide consumption of between 7.9 and 10.8 kg/t was recorded.

Phase II test program:

Objectives;

- To conduct large scale gravity + flotation & concentrate cyanidation testwork following conditions confirmed in Phase I to generate sufficient concentrate and flotation/concentrate leach tailings for characterization and treatment studies,
- To conduct solid-liquid separation testing to provide a comprehensive thickening and filtration analysis for concentrate and tailings.

The scope of this test program consists of:

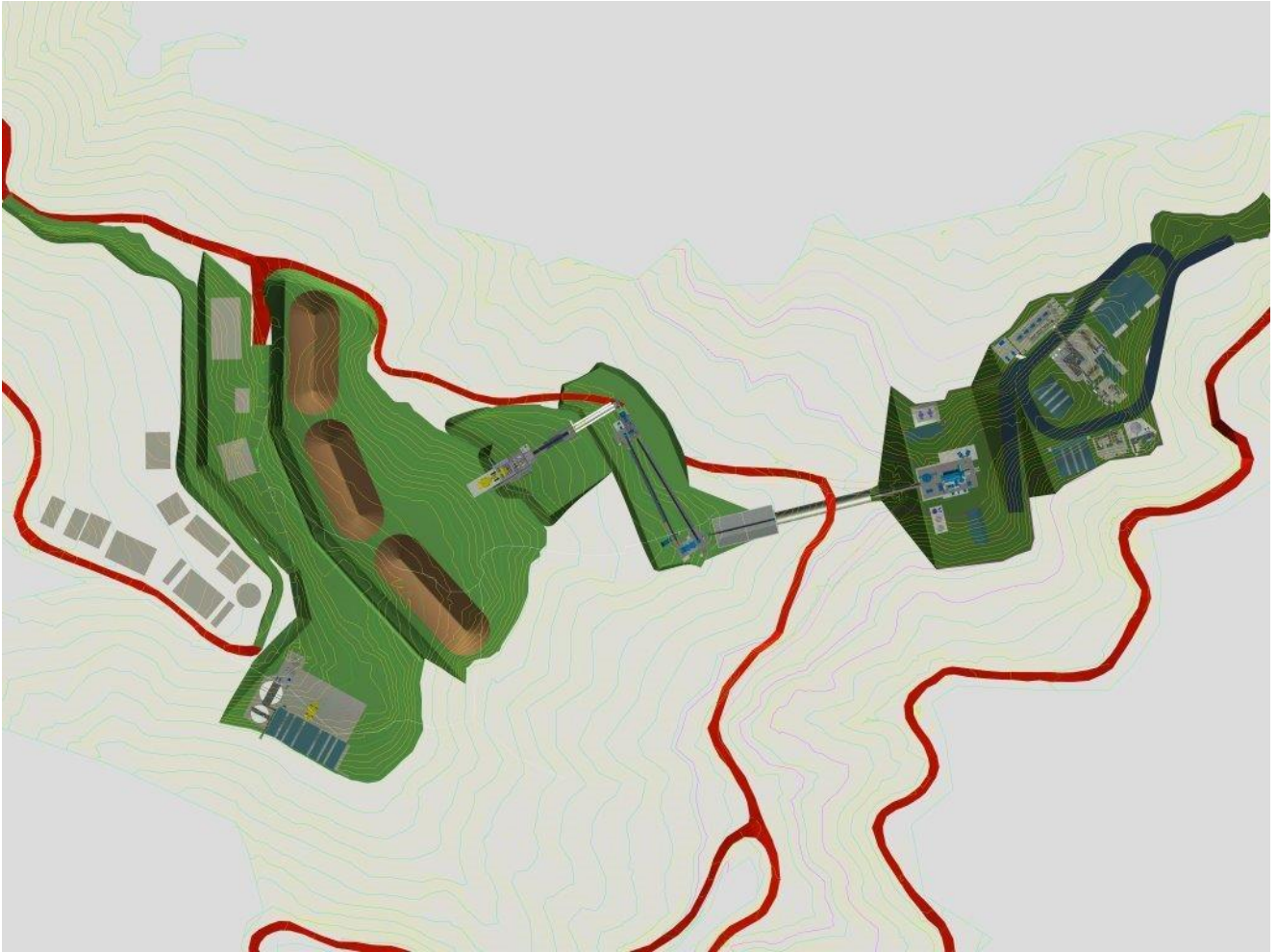
- Large scale gravity concentration followed by flotation of gravity scalped tailings and then cyanidation of flotation concentration.
- Thickening and filtration studies on flotation concentrate and tailings as well as concentrate leach tailings.

### Processing Plant and Infrastructure Layout and Design

The processing plant layout, including the surface infrastructure required for the operations, has been finalised and is shown in detail in Figure 6 and 7 below. The administration complex and offices are seen on the extreme left of the figure and are located above the processing plant complex. The mine workshops and tailings filters are located immediately below the office complex. The ROM ore pad is located at the primary crusher level below the workshops. The plant will have 3 stage crushing with the recirculating load on the tertiary crusher which feeds to a fine ore bin. Gold recovery will be via gravity and flotation circuits with the gravity concentrate

feeding into the Merrill Crowe and gold room circuit. The flotation concentrate reports to the concentrate leaching circuit and finally to the Merrill Crowe and gold room.

**Figure 6: Mine infrastructure and processing plant surface layout**



**Figure 7: Processing and surface infrastructure to be located in the centre of the photo below**



**Power and Water**

The Company has identified a preferred power line route from Quinchia to the Miraflores site and will now commence with landowner negotiations for a right of way to facilitate the construction of the power line. The power line will be a dedicated 33kva line between 7 and 9km long. A substation upgrade at Quinchia will be necessary to accommodate the power requirements of the operation.

It is likely that the mining operations will generate sufficient water for the mine and processing plant, however, licencing of a standby water allocation will be undertaken to guarantee a permanent water supply to the mine operations.

**Community Relations and EIA**

Community relations are an important issue with regards to gaining a social licence for the development of the Project. The Company continues to work with the local communities, municipality and government agencies and other stakeholders to gain its social licence for the project.

The critical path for the development of the Project remains the completion of the baseline monitoring for the EIA. It is expected that the baseline monitoring will be completed in October 2017 with the EIA application likely submitted to the relevant authorities by the end of 2017.

**LOS CALATOS - PERU**

Metminco holds a 49% indirect interest in the Los Calatos copper project with an estimated mineral resource of 352 million tonnes at a Cu grade of 0.76% and a Mo grade of 318 ppm (2.76mt Cu and 111,936t Mo contained metal) cut off grade 0.7%. The Company's partner CD Capital Natural Resources Fund III (CD Capital) is funding up to US\$45 million to advance the Los Calatos Project toward completion of a bankable feasibility study.

The Los Calatos Project is located in Southern Peru near three large operating copper-molybdenum mines, namely Cuajone, Toquepala and Cerro Verde.

**MOLLACAS PROJECT - CHILE**

The Company holds title to 21 Exploitation Concessions covering the Mollacas deposit and surrounding area, and owns 179 ha of land adjacent to the proposed open pit operation.

In addition, Metminco also owns water rights to approximately 175 litres/sec from two canals, albeit that the estimated water usage for the mining operation will only be 40 litres/sec.

The project is currently on care and maintenance.

**CORPORATE****Placing**

During the Quarter the Company completed the second tranche of the placement announced 17 November 2016 by placing a total of 36,919,831 new fully paid ordinary shares (Shares) and receiving approximately \$1.8 million net of costs. The remaining approximately \$2.6 million of the \$3 million Lanstead Capital LP funding facility (approximately \$0.4 million already received) is to be received over 18 months subject to the Company's measured share price compared to the Benchmark Price (\$0.158 per Share). If the Metminco measured share price exceeds the Benchmark Price, for that month, the Company will receive more than 100 per cent of the monthly settlement due on a pro rata basis. There is no upper limit placed on the additional proceeds receivable by the Company as part of the monthly settlements. Should the measured share price be below the Benchmark Price, the Company will receive less than 100 per cent of the expected monthly settlement on a pro rata basis.

**Convertible Note**

On 31 March 2017 the Company announced that it had signed a binding term sheet with Redfield Asset Management and Redfield Advisory (together Redfield) to provide a convertible note facility of A\$0.75 million (the Convertible Notes). Key terms of the Convertible Notes, which are fully underwritten by Redfield, are:

Face Value: A\$750,000

Coupon Rate: 12.5% per annum, compounded monthly interest to be capitalised



Conversion: No later than 12 months from date of issue at which time the Convertible Notes and capitalised interest automatically convert to Shares at the Conversion Price

Conversion Price: \$0.06075

Options Granted: i) 12,345,639 exercisable at \$0.081 per Share any time prior to 12 months from date of issue  
ii) 12,345,639 exercisable at \$0.081 per Share any time prior to 12 months from date of issue as soon as the Company's available placement capacity under ASX Listing Rule 7.1 is refreshed

Funding: A\$300,000 has been received by the Company post 31 March 2017, and the remainder to be received no later than 12 May 2017 subject to limited due diligence and long form documentation.

Underwriting Fee: 4.5% of Face Value

### **Board Appointment**

Mr. Ram Venkat was appointed as a Non-Executive Director of the Company effective 20 March 2017. Mr. Venkat is a seasoned capital markets executive who has worked across the Investment Banking, Equity Capital Markets, Mergers & Acquisitions and multi-asset Structuring groups at several global investment banks. Most recently, Ram was a Director at a leading Australian investment bank, and prior to that Citigroup Global Markets where he was responsible for structuring funding solutions and providing capital structuring advice to corporate clients.

Mr Venkat's career has focused on helping companies navigate through complex and evolving landscapes of risk, including strategic, growth, funding/capital, acquisition and market-related. He is passionate about helping businesses achieve their strategic objectives and brings an extensive global network to help the Company achieve its goals.

Ram has an undergraduate BSc degree in Electrical & Computer Engineering from the University of Toronto, and an M.B.A. from the Rotman School of Management at the University of Toronto (summa cum laude).

Ram combines the knowledge and skillset of an engineer, his extensive experience in investment banking and his record of working with companies to achieve sustainable profitability, coupled with his experience in financial structuring and corporate oversight, to bring valuable and differentiated skills to the board room.

### **Shareholder Meeting**

The Company announces the Annual General Meeting of shareholders for the year ended 31 December 2016 will be held on 23 May 2017. The Notice of Meeting and Explanatory Memorandum together with a personalised proxy form have been mailed to shareholders. A copy of the Notice of Meeting, Explanatory Memorandum and Annual Report for the year ended 31 December 2016 can be downloaded from the Company's website: [www.metminco.com.au](http://www.metminco.com.au).

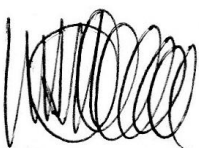
### **Share Consolidation**

Following the completion of the security consolidation on 4 January 2017 the Company had on issue 90,280,468 fully paid Shares and 100,000 unlisted options to acquire one share at A\$1.51 per Share on or before 1 August 2017.

### **Cash Position and Funding**

As at 31 March 2017, Metminco had approximately A\$10,000 in cash reserves prior to receiving funds under the Convertible Note facility disclosed above.

Expenditure for the Quarter was focussed on the Miraflores Feasibility Study, care and maintenance costs on its other projects (Mollacas, Vallecillo and Loica) and corporate overheads.



**William Howe**

**Managing Director**

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**SRK Consulting (U.S.) Inc.**

The information provided in this ASX Release as it relates to mining plan and production schedule for the Miraflores Gold Project is based on information compiled by Mr Jeff Osborn BEng Mining, MMSAQP, on behalf of SRK. Mr Osborn has consented to be named in this announcement and inclusion of information attributed to him in the form and context in which it appears herein.

SRK have given their consent to be named in this Announcement and to the inclusion of all statements by SRK included in said Announcement that Metminco says are based on a statement by us, in the form and context in which these statements are included.

This consent relates to the Announcement of Metminco in Australia and the United Kingdom in both paper and electronic form.

Apart from as set out above, SRK takes no responsibility for any other part of the aforementioned Announcement.

**Forward Looking Statement**

All statements other than statements of historical fact included in this announcement including, without limitation, statements regarding future plans and objectives of Metminco are forward-looking statements. When used in this announcement, forward-looking statements can be identified by words such as "anticipate", "believe", "could", "estimate", "expect", "future", "intend", "may", "opportunity", "plan", "potential", "project", "seek", "will" and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this announcement, are expected to take place. 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, its directors and management of Metminco that could cause Metminco's actual results to differ materially from the results expressed or anticipated in these statements.

The Company cannot and does 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 investors are cautioned not to place undue reliance on these forward-looking statements. Metminco does not undertake to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this announcement, except where required by applicable law and stock exchange listing requirements.

# Appendix 5B

## Mining exploration entity quarterly report

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

Name of entity

**Metminco Limited**

ABN

43 119 759 349

Quarter ended ("current quarter")

31 March 2017

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter A\$'000	Year to date 3 months A\$'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for:		
(a) exploration and evaluation	(1,084)	(1,084)
(b) development	-	-
(c) production	-	-
(d) administration	(830)	(830)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
<b>Net Operating Cash Flows</b>	<b>(1,914)</b>	<b>(1,914)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investment	-	-
(b) 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	-	-
<b>Net investing cash flows</b>	<b>-</b>	<b>-</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(1,914)</b>	<b>(1,914)</b>

+ See chapter 19 for defined terms.

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

1.13	Total operating and investing cash flows (brought forward)	(1,914)	(1,914)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	2,105	2,105
	Costs of issue	(256)	(256)
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 :	-	-
	<b>Net financing cash flows</b>	<b>1,849</b>	<b>1,849</b>
	<b>Net increase (decrease) in cash held</b>	<b>(65)</b>	<b>(65)</b>
1.20	Cash at beginning of quarter/year to date	72	72
1.21	Exchange rate adjustments to item 1.20	3	3
1.22	<b>Cash at end of quarter</b>	<b>10</b>	<b>10 *<sub>1</sub></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 A\$'000
1.23	Aggregate amount of payments to the parties included in item 1.2	200
1.24	Aggregate amount of loans to the parties included in item 1.10	-

- 1.25 Explanation necessary for an understanding of the transactions
- Item 1.23 includes aggregate amounts paid to directors for the period 01 January 17 – 31 March 17 for:  
Directors' fees: A\$199,876  
(includes deferred fees due from prior periods).

**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
- None
- 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
- None

+ See chapter 19 for defined terms.

**Financing facilities available**

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

	Amount available A\$'000	Amount used A\$'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

**Estimated cash outflows for next quarter**

	A\$'000
4.1 Exploration and evaluation	700
4.2 Development	-
4.3 Production	-
4.4 Administration	300
<b>Total</b>	<b>1,000</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 A\$'000	Previous quarter A\$'000
5.1 Cash on hand and at bank	72	72
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	<b>10*<sub>1</sub></b>	<b>10</b>

\*<sub>1</sub> excludes the Company's share of cash held by Los Calatos Holding Limited which is for the exclusive funding of the Los Calatos Project.

**Changes in interests in mining tenements**

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

**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> <i>(description)</i>				
7.2	Changes during quarter: (a) Increases through Issues  (b) Decreases through returns of capital, buy backs, redemptions				
7.3	<b>+Ordinary securities</b>	127,200,299	127,200,299		
7.4	Changes during Quarter: (a) Increases through Issues (b) Decreases through returns of capital, buy backs, redemptions				
7.5	<b>+Convertible Debt securities</b> <i>(description)</i>				
7.6	Changes during quarter: (a) Increases through issues  (b) Decreases through Securities matured, converted	36,919,831	36,919,831	A\$0.1185 (£ 0.07)	
7.7	Options (description and conversion factor)	<u>Unlisted:</u> 100,000		<u>Exercise price:</u> A\$1.51	<u>Expiry date:</u> 01 Aug 2017
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures(totals only)				

+ See chapter 19 for defined terms.

7.12	Unsecured notes (totals only)				
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**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: 30.4.2017  
(Company secretary)

Print name: Philip Killen

**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.

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+ See chapter 19 for defined terms.