



## KORE POTASH – REVIEW OF OPERATIONS FOR THE QUARTER ENDED 31 DECEMBER 2017

**Perth, Australia – 31 January 2018 – Kore Potash plc** (ASX: KP2) ("**Kore Potash**" or "**the Company**"), the potash exploration and development company whose flagship asset is the Kola Project ("**Kola**" or the "**Project**"), located in the Company's 97%-owned Sintoukola Potash Project in the Republic of Congo ("**RoC**"), is pleased to provide the following quarterly update, for the period to 31 December 2017 (the "**Quarter**").

### **HIGHLIGHTS**

- Scheme of Arrangement regarding the Company's re-domicile to the United Kingdom was implemented on 20 November 2017. As a result, Kore Potash Limited became a wholly owned subsidiary of Kore Potash plc.
- Kore Potash continues to pursue a potential secondary listing on AIM as well as the main board of the Johannesburg Stock Exchange ("**JSE**"), in addition to its Australian Securities Exchange ("**ASX**") listing.
- David Netherway was appointed as an independent Non-Executive Director.
- Kola Definitive Feasibility Study ("**DFS**") is progressing and focus has moved from design engineering to estimating final construction costs and execution schedule. Overall the results of the design phase are highly encouraging in terms of technical viability and overall optimisation, but the construction estimation phase will be key to finalisation of the overall estimate of the capex, opex and construction schedule.
- Laboratory results confirm the previously reported<sup>1</sup> outstanding intersections in holes EK\_53 and EK\_54 at Kola, drilled 1.5 and 7 km south-east of the current Measured and Indicated Resource respectively. With extremely high grades of 61.9 and 60.0 % KCl over true thicknesses of 2.22 and 3.26 m respectively, these intersections indicate the potential for significant expansion of the deposit and the presence of areas with exceptionally high-grade sylvinite.
- The Company received a Letter of Support from BPIFrance Assurance Export ("**BPIFrance**") for French export credit insurance for the French component of the procurement for the Kola project construction which is estimated to be in the region of US\$500-700m.

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<sup>1</sup> Announcement dated 7 December 2017: High-grade assay results returned for Kola

## **CORPORATE ACTIVITIES**

### **London listing process and redomicile**

- The Scheme of Arrangement between the Company and its shareholders, in relation to the redomicile from Australia to the UK, was approved by shareholders on 27 October 2017, the Federal Court of Australia on 6 November 2017, and was implemented on 20 November 2017.
- Significant progress has been made with regards to the proposed listing on the AIM market of the London Stock Exchange, as announced on 10 July 2017, which is expected to be completed in Q1 2018. In addition, the Company has announced its intention to also seek a secondary listing on the main board of the JSE alongside AIM and the ASX.

### **Export Credit Agency**

- BPIFrance, the French government export credit agency, has issued a Letter of Support (“**LoS**”) confirming in principle support under the export credit insurance guarantee scheme of the French State (“**ECA cover**”) for the construction of the Kore Group’s flagship potash development asset, Kola. The LoS is based on the construction of Kola through an Engineering, Procurement and Construction (“**EPC**”) contract with the existing consortium of French engineering and construction companies, and the EPC having substantial French content. The LoS is subject to further in-depth due diligence and is not legally binding. Kore Potash and the French Consortium (“**FC**”) estimate that the French element of procurement for the construction, which will be eligible for ECA financing, will be in the region US\$500-700m. The Company is also in discussions with other ECAs in relation to the provision of additional ECA financing.

### **Independent Non-Executive Director**

- Mr David Netherway was appointed as an independent Non-Executive Director on 12 December 2017.
- Mr Netherway is a mining engineer with over 40 years of experience in the mining industry. He was involved in the construction and development of the New Liberty, Iduapriem, Siguiri, Kiniero, Samira Hill & Bonikro gold mines in West Africa and has extensive international mining experience including in Australia, Canada, China, Kazakhstan, Brazil, India, Nepal, Oman and Malaysia. Mr Netherway served as the CEO of Shield Mining until its takeover by Gryphon Minerals. Prior to that, he was the CEO of Toronto listed Afcan Mining Corporation, a China focused gold mining company that was sold to Eldorado Gold in 2005. He was also the Chairman of Afferro Mining which was acquired by IMIC in 2013. He has held senior management positions in a number of mining companies, including Golden Shamrock Mines, Ashanti Goldfields Ltd and Semafo Inc.
- Mr Netherway is currently the Chairman of Altus Strategies plc. (AIM: ALS), Canyon Resources Ltd (ASX: CAY) and Kilo Goldmines Ltd (TSX-V: KGL) and a Non-Executive Director of Avesoro Resources Inc. (TSX & AIM: ASO).

## **OPERATIONAL ACTIVITIES**

### **Project management**

- The consortium has now reached peak mobilisation and, as the engineering design moves towards completion, bills of quantities are being prepared for the capital estimate. The work is supervised and guided by Kore Potash’s project team and has the support from senior engineers at Sociedad Quimica y Minera (“**SQM**”) as well as independent specialist reviewers to assist in the process. Q1 2018 is a critical period for the Company in terms of execution strategy, implementation schedule and related capital and operating cost estimates. The

DFS is currently slightly behind schedule, due to some additional redesign work related to further optimisation of the flotation area of the process plant. Third-party testing of these designs is underway. The final DFS will be completed, depending on the test results, towards the end of Q2 2018, or early Q3 2018. Kore Potash and the French Consortium are looking at ways to minimise the impact on the EPC submission date which is currently due to be submitted three months after the finalisation of the DFS. The cost implications of this delay are still being discussed between Kore Potash and the French Consortium.

- Overall the results of the design phase of the DFS are highly encouraging in terms of technical viability and overall design optimisation. The focus of the study now moves towards the detailed costing of the construction which will be critical in assessing the overall capex estimate.

#### **Process test work**

- The DFS metallurgical test work programme was completed at the Saskatchewan Research Council laboratory in Canada and results have been incorporated into the process modelling and updated process flow diagrams. Based on the test results, various optimisation opportunities have been investigated, compared to the PFS process flow diagrams, and additional test work has been undertaken to further develop these optimisation opportunities. A final evaluation of the options has been completed and a selection of the optimal process solution made. A final long test and locked cycle test will be done in January 2018 while the process flow is further engineered.

#### **Engineering development**

- The procurement process is currently underway and vendor information to support the technology selection and development of the estimate is well advanced. The first material take off process has been completed and the pre-Hazop has also been completed. The Piping and Instrumentation Diagrams have been approved to proceed with design subject to a later revision being required to make changes based on the outcome of vendor data and pre-Hazop processes. Finalisation of plot plans and 3D models are progressing well in the process plant, marine facilities, above ground and underground areas. Refer to **Figure 1** showing the process plant area model.



*Figure 1: Process plant area model*

### **Mine development**

- The shaft design has progressed well with a sinking methodology and second constructability review having been completed. The final shaft design documentation is being prepared.
- The hydrogeological testing has been completed and the modelling has commenced. The process plant groundwater abstraction modelling is completed.
- Detailed engineering design of underground facilities is in progress, including design of pump stations, workshops and conveyors.
- Geotechnical test work and modelling was completed and the final report has been issued. The first underground 3D model review has been completed along with a mining schedule simulation. Refer to **Figure 2** and **Figure 3** showing the mine surface and underground layouts.



Figure 2: Surface mine layout



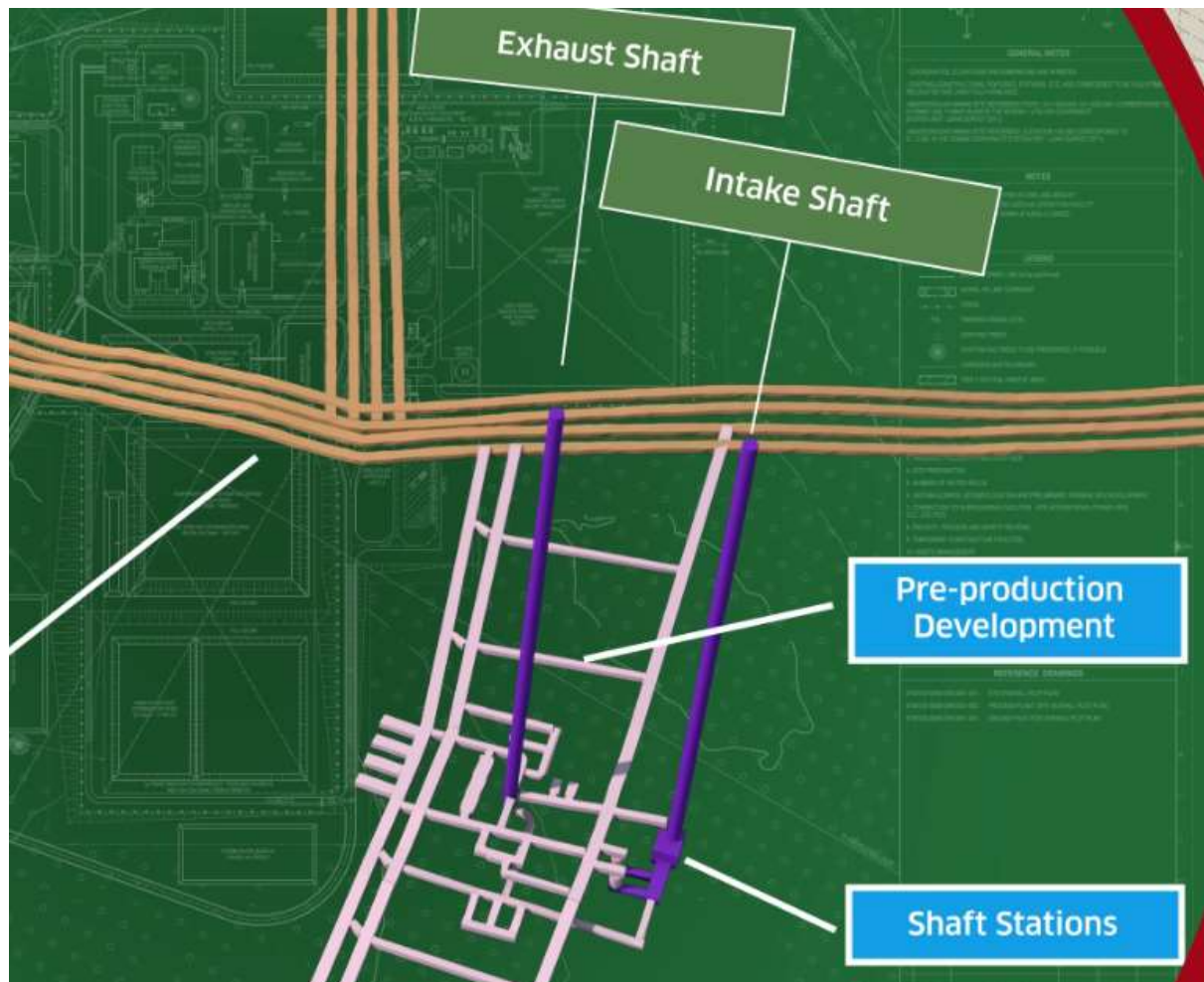


Figure 3: Underground mine layout

- The procurement process for mine underground equipment is well advanced with decisions on preferred bidders having been completed. Bids have been received for the underground mining contract and are currently being evaluated.

#### Marine development

- A detailed model of the coastal erosion and sedimentation build-up was completed and this has led to a change in design being agreed and approved for the final jetty length. The design is well advanced and the constructability review completed for this area. The transshipment equipment has been selected and is currently being costed.

#### Brine outflow optimisation

- Additional ecotoxicological test work required to incorporate marine brine disposal into the Environmental and Social Impact Assessment ("ESIA") has been started. This test work will commence in country in February 2018 and will also include an invasive species assessment and an investigation of the transshipment zone.

#### Earthworks and Civil design development.

- The final civil and earthworks quantities were highlighted as an area for further optimisation at the second constructability review. The target will be to reduce the volume of earthworks further.
- The structural steel and foundation design has continued in areas where vendor data has become available. Further optimisation of building light steel work frames is in progress.

### **Accommodation Camps**

- The initial bids for the construction and operation of the construction accommodation camps have been received and are under adjudication at this point.

### **Road infrastructure**

- The road development strategy has been finalised and design for all roads completed. Further optimisation of drainage and layer work design is ongoing.

### **Field work campaigns**

- The following field and test work campaigns have been completed, as reported below, and all field work equipment will be de-mobilised in Q1 2018:
  - Shaft geotechnical and hydrogeological campaign to produce design parameters for the vertical shaft design – completed in December 2017;
  - Surface geotechnical and hydrogeological campaign to produce design parameters for the process plant, buildings, roads and infrastructure design – completed;
  - A geotechnical laboratory test programme to verify geotechnical characteristics for the mine design and to optimise the extraction ratio – completed; and
  - A hydrological survey to provide input into ground water modelling, used to confirm fresh water abstraction and support the ESIA amendment programme – completed in December 2017.

### **Constructability review**

- The second constructability review was completed in December 2017. This exercise identified several areas for further optimisation and the Kore Potash project and FC teams are addressing these areas together.

### **Environmental and social impact assessment (“ESIA”)**

- The terms of reference for the Kola ESIA were submitted to the RoC regulator and minutes of acceptance of these were received back from the regulator in December 2017. The baseline studies are ongoing. The programme is on schedule to submit the National ESIA amendment to the regulators by Q1 2018.

### **Work streams initiated with RoC authorities**

- Initial terms sheets have been submitted to both power and gas supply companies and finalisation of these is on track for Q1 2018.
- The Company has received preliminary authorisation for the use of the revised proposed transshipment zone and is expecting the definitive authorisation. All construction and operation permits required for the implementation of the project are being presented to the Minister of Marine Merchant and the regulator by the end of January 2018.
- Kore Potash has received confirmation from the regulator that previous works in terms of plot enquiry and identification of project affected people implemented in 2012/2013 are still valid and commenced the Resettlement Action Plan (“RAP”) in support of the Declaration d’Utilité Publique (“DUP”) process on the project land take area. Although the zoning of the service corridor is carried out for the sake of the DUP process, the

Company decided to postpone the RAP process with regard to the service corridor land take post DFS, until final options are confirmed in terms of gas and power sourcing for the implementation of the project.

- Memorandum of understanding is being finalised with power providers and discussions on the gas term sheet are on hold until additional gas consumption is confirmed, dependent on whether the Company decides to self-generate power.
- The Company has started preliminary discussions with the local State Representative (Préfet) and the regulator in order to promote public civil work in the project area for roads and infrastructure (bridge) improvement and management in order to secure transport of all imported equipment and machineries for construction.

### RoC regulatory requirements

- As previously announced, the Dougou Mining License was granted to Sintoukola Potash S.A. through Presidential Decree n°2017-139 on 9 May 2017 and was published in the Official Gazette on 18 May 2017. On 24 October 2017, the Company submitted the Minister of Mines and Geology's prior approval request of the Dougou Mining License transfer to the operator, the newly incorporated Dougou Potash Mining S.A. in the RoC. This transfer is expected to be approved and implemented through Decree by Q2 2018.
- The mining convention was signed by the RoC Government on 8 June 2017 and became enforceable at that date but is still in the process of being ratified into law by the RoC Parliament. The ratification process by the two legislative chambers (Parliament & Senate) is ongoing and is expected shortly. This follows the review and approval of the same by the RoC Supreme Court.

### Field work and exploration activity

#### KOLA PROJECT

- EK\_53 and EK\_54 were drilled to test the potential for expansion of sylvinite to the southeast, along the 'strike' of the current Measured and Indicated resource (refer to **Figure 4**). Both holes intersected sylvinite of the Hangingwall Seam Sylvinite ("HWSS"), reported in September<sup>2</sup> based on gamma-ray data. Assay results were subsequently received and reported on 7 December 2017. They are 61.9% and 60.0 % KCl over a true thickness of 2.22 and 3.26 m respectively, compared with previously reported grades of 52% and 54.1% KCl over 2.20 and 3.20 m, for the same intervals. The laboratory analyses were carried out by Intertek in Perth, and data was accompanied and supported by industry standard QA-QC sample insertion and verification. The results confirm that the hosting HWSS is of exceptional grade, and indicate the potential for significant expansion of the current Kola resource (Measured and Indicated Resource of 508 Mt grading 35.4% KCl).
- If achieved, a significant increase in the size of the deposit would have obvious implications for the life-of-mine and project economics though this would require additional drilling. No exploration work is currently planned.

*Table 1. HWSS intersections in EK\_53 and EK\_54 at Kola as reported 7 December 2017*

Drill-hole	Depth From (m)	Depth To (m)	True thickness (m)	KCl% by assay
EK_53	350.61	353.00	2.22	61.9
EK_54	297.24	300.50	3.26	60.0

<sup>2</sup> Announcement dated 11 September 2017 Sintoukola Kola Potash Project - Update



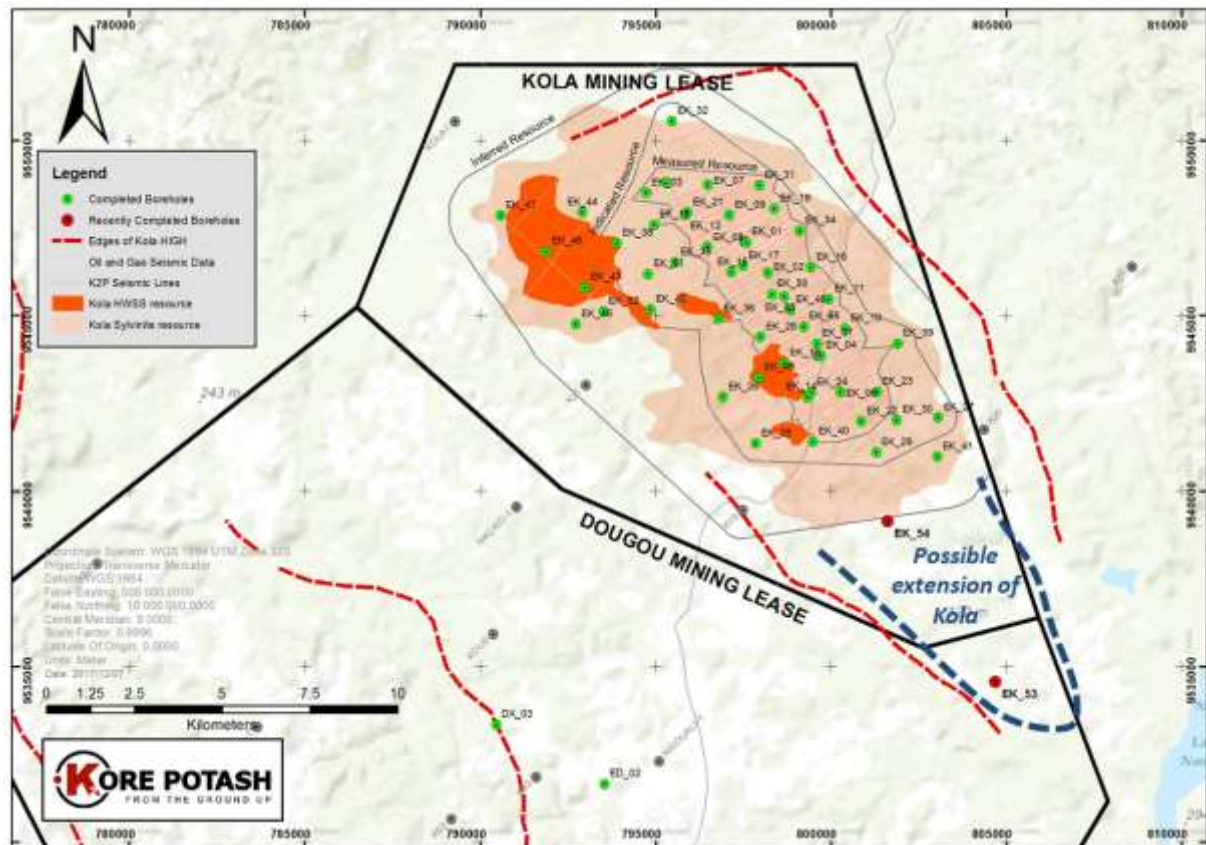


Figure 4. Map showing the Kola Sylvinite, drill-holes EK\_53 and EK\_54 and the interpreted possible extension. The distribution of the current HWSS resource is also shown.

## DOUGOU EXTENSION SYLVINITE PROSPECT

- The Dougou Extension Prospect is an area with numerous high-grade sylvinite intersections, 15 km south-west of Kola (refer to **Figure 5**). During Q1 2017 the Company initiated a programme to follow up on previous 55-60% KCl intersections and reported excellent results in September<sup>3</sup>. The Company was confident of further high-grade sylvinite in DX\_05 and DX\_06 but drilling fluid losses in the dolomite overlying the evaporite rocks prevented the completion of the drill-holes to the target depth. Re-drilling the holes was considered, but would have caused the Company to exceed the allocated budget and with a risk of similar problems in the re-drilled holes.
- Despite the excellent results at the Prospect to date, including intersections that are possibly the highest grading globally, the Company has opted to delay possible further exploration at the Prospect until after the Kola DFS is complete in the interests of focusing on that key milestone. Drilling equipment is currently being demobilised.

<sup>3</sup> Announcement dated 11 September 2017: Dougou Extension Prospect Sylvinite intersections up to 8.8 m thick within a zone of 8 by 5 km, open laterally

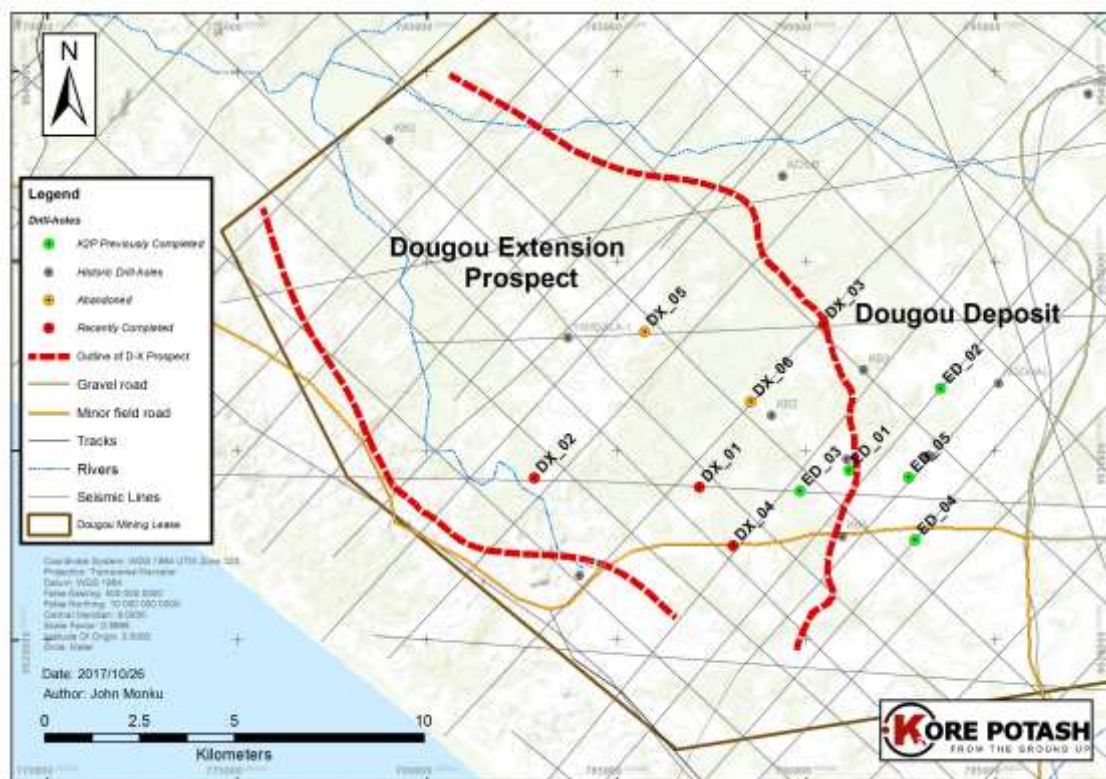


Figure 5. Map showing the interpreted extent of the prospective area for sylvinites at Dougou Extension and all drill-holes at the Prospect.

For more information contact us or visit [www.korepotash.com](http://www.korepotash.com).

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## About Kore Potash's Projects

Kore Potash (ASX: KP2) is an advanced stage mineral exploration and development company whose primary asset is 97%-owned Sintoukola Potash S.A. ("SPSA") in the RoC. SPSA has 100% ownership of the Kola Mining Lease within which the Company's lead project, the Kola Sylvinitic deposit is located. SPSA also has 100% ownership of the Dougou Mining Lease within which the Dougou Carnallite Deposit and the Dougou Extension Prospect are situated.

These projects are easily accessed, being located approximately 80 km to the north of the city of Pointe Noire and 15 to 30 km from the Atlantic coast. The Projects have the potential to be among the world's lowest-cost potash producers and their location near the coast offers a transport cost advantage to global fertilizer markets.

The Kola Deposit has a Measured and Indicated Sylvinitic Mineral Resource of 508 Mt grading 35.4 % KCl<sup>4</sup>. A Definitive Feasibility Study ("DFS") which is underway, being conducted by a consortium of world class engineering and construction companies consisting of Technip FMC, Vinci Construction Grands Projets, Egis International and Louis Dreyfus Armateurs (the "French Consortium" or the "FC"). The DFS contract was signed on 28 February 2017 and the study is scheduled to be completed towards the end of Q2 2018, or early Q3 2018.

The Dougou Deposit is 15 km southwest of Kola and is a very large Carnallite deposit with a Measured and Indicated Potash Mineral Resource of 1.1 billion tonnes grading 20.6% KCl (at a depth of between 400 and 600 metres) hosted by 35-40 metres of Carnallite within 4 flat-lying seams<sup>5</sup>. A Scoping Study was completed by ERCOSPLAN of Germany in February 2015<sup>6</sup>. This Study indicated that a low capital cost, low operating cost (Life of Mine operating cost of US\$68 per tonne MoP), and quick to production carnallite solution mine could be established at Dougou, taking advantage of the deposit quality and availability of low cost energy in the RoC.

The Dougou Extension Prospect (previously referred to as Yangala) lies immediately west of Dougou. In 2012 and 2014 the Company drilled 2 holes, both intersecting a flat-lying layer of 4 to 4.5 metres thickness with a grade of between 57 and 60% KCl<sup>7</sup>. Drilling of 4 additional holes in 2017 intersected sylvinitic of between 27 and 63% KCl over a range of thicknesses<sup>8</sup>.

## Kore Potash's Mineral Resources

	Resource Category	Million Tonnes	Grade KCl %
<b>Kola Sylvinitic Deposit</b>	Measured	216	34.9
	Indicated	292	35.7
	<b>Measured + Indicated</b>	<b>508</b>	<b>35.4</b>
	Inferred	340	34.0
	<b>TOTAL</b>	<b>848</b>	<b>34.8</b>
<b>Kola Carnallite Deposit</b>	Measured	341	17.4
	Indicated	441	18.7
	<b>Measured + Indicated</b>	<b>783</b>	<b>18.1</b>
	Inferred	1,266	18.7
	<b>TOTAL</b>	<b>2,049</b>	<b>18.5</b>

<sup>4</sup> Announcement dated 6 July 2017: Updated Mineral Resource for the High-Grade Kola Deposit

<sup>5</sup> Announcement dated 9 February 2015: Elemental Minerals Announces Large Mineral Resource Expansion and Upgrade for the Dougou Potash Deposit.

<sup>6</sup> Announcement dated 17 February 2015: Results for the Dougou Potash Project Scoping Study

<sup>7</sup> Announcement dated 20 October 2014: Elemental Minerals Announces Exceptional Results from Dougou-Yangala Drilling

<sup>8</sup> Announcement dated 11 September 2017: Dougou Extension Prospect Sylvinitic intersections up to 8.8 m thick within a zone of 8 by 5 km, open laterally

<b>Dougou Carnallite Deposit</b>	Measured	148	20.1
	Indicated	920	20.7
	<b>Measured + Indicated</b>	<b>1,068</b>	<b>20.6</b>
	Inferred	1,988	20.8
	<b>TOTAL</b>	<b>3,056</b>	<b>20.7</b>
<b>TOTAL MINERAL RESOURCES</b>	Measured	705	23.3
	Indicated	1,653	22.8
	<b>Measured + Indicated</b>	<b>2,358</b>	<b>23.0</b>
	Inferred	3,594	21.3
	<b>TOTAL</b>	<b>5,953</b>	<b>22.0</b>

**Notes:** The Mineral Resource estimates are reported in accordance with the JORC code 2012 edition. The Kola Mineral Resources were reported on the 6 July 2017, and was prepared by Met-Chem division of DRA Americas Inc., a subsidiary of the DRA Group. Resources are reported at a cut-off grade of 10% KCl. The Dougou Mineral Resource was prepared by ERCOSPLAN Ingenieurgesellschaft Geotechnik und Bergbau mbH ("ERCOSPLAN") and reported in the ASX announcement dated 9 February 2015. The form and context of the Competent Person's findings as presented in this document have not materially changed since the resource was first reported. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, marketing, or other relevant issues. The Mineral resources are considered to have reasonable expectation for eventual economic extraction using underground mining methods.

## Forward-Looking Statements

This news release contains statements that are "forward-looking". Generally, the words "expect," "potential", "intend," "estimate," "will" and similar expressions identify forward-looking statements. By their very nature and whilst there is a reasonable basis for making such statements regarding the proposed placement described herein; forward-looking statements are subject to known and unknown risks and uncertainties that may cause our actual results, performance or achievements, to differ materially from those expressed or implied in any of our forward-looking statements, which are not guarantees of future performance. Statements in this news release regarding the Company's business or proposed business, which are not historical facts, are "forward looking" statements that involve risks and uncertainties, such as resource estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties. Actual results in each case could differ materially from those currently anticipated in such statements.

Investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date they are made.

## Competent Person Statement

The information relating to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves, and the results of economic studies, is extracted from previous reports, as referred to in footnotes herein, and available to view on the Company's website. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

## Appendix 5B

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

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

### Name of entity

KORE POTASH PLC

### ABN

621 843 614

### Quarter ended ("current quarter")

31 DECEMBER 2017

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (12 months) \$US'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration and evaluation	(6,193)	(24,699)
(b) development	-	-
(c) production	-	-
(d) staff costs	(1,293)	(3,818)
(e) administration and corporate costs	(1,395)	(4,464)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	50
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(8,878)</b>	<b>(32,931)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(52)	(94)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$US'000</b>	<b>Year to date (12 months) \$US'000</b>
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(52)</b>	<b>(94)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	5,000
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	-	(823)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>4,177</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	24,986	42,610
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(8,878)	(32,931)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(52)	(94)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	4,177
4.5	Effect of movement in exchange rates on cash held	399	2,693
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>16,455</b>	<b>16,455</b>



5. <b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$US'000	Previous quarter \$US'000
5.1    Bank balances	16,455	24,986
5.2    Call deposits	-	-
5.3    Bank overdrafts	-	-
5.4    Other (provide details)	-	-
<b>5.5    Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>16,455</b>	<b>24,986</b>

**6.    Payments to directors of the entity and their associates**

- 6.1    Aggregate amount of payments to these parties included in item 1.2
- 6.2    Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3    Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$US'000
140
-

All transactions included in item 6.1 are for payment of directors fees.

**7.    Payments to related entities of the entity and their associates**

- 7.1    Aggregate amount of payments to these parties included in item 1.2
- 7.2    Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3    Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$US'000
-
-

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

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9. <b>Estimated cash outflows for next quarter</b>	<b>\$US'000</b>
9.1 Exploration and evaluation	8,073
9.2 Development	-
9.3 Production	-
9.4 Staff costs	968
9.5 Administration and corporate costs	1,305
9.6 Other (provide details if material)	-
<b>9.7 Total estimated cash outflows</b>	<b>10,346</b>

10. <b>Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2 Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

### **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: .....  
Joint Company Secretary

Date: 31 January 2018

Print name: Henko Vos.

### **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.