



# Quarterly Report

Period Ending September 30<sup>th</sup> 2018

## Highlights

### High Grade Copper Drill Results at San Antonio

- SAP0001 – **19m grading 2.0% copper** from 61m down-hole depth (including 11m grading 2.4% copper)
- SAP0002 – **15m grading 1.7% copper** from 80 m down-hole depth
- SAP0031 – **53m grading 0.9% copper** from 72m down-hole depth (including 27m grading 1.3% copper)

### Drill Success From First Three Drill Holes at Valentina

- VAP0001 – **12m grading 1.5% copper** from 28m down-hole depth (including 6m grading 2.7% copper)
- VAP0003 – **8m grading 2.0% copper** from 124m down-hole depth (including 2m grading 4.8% copper)

### September Quarter 2018 Activities Summary

- 5,000m maiden drilling campaign completed across San Antonio and Valentina copper mines (part of the Company's new El Fuego high grade copper project in Chile) within short trucking distance of Hot Chili's large-scale Productora copper development
- Modelling and economic assessment of results indicate both projects are likely to deliver attractive satellite open pit opportunities

### December Quarter 2018 Planned Activities

- Hot Chili's current focus is to build a strong pipeline of high grade ore sources that can be used to sweeten the grade of Productora, creating higher margins for one of the largest copper developments controlled by an ASX-listed Company
- Preparations now well advanced ahead of submission of regulatory applications to commence resource definition drilling in the New Year
- Consolidation of further bulk scale and high grade project opportunities is a focus for Hot Chili in advance of commencing resource drilling activities

### ASX CODE

HCH

### Contact

Mr Christian Easterday  
Managing Director

E: [admin@hotchili.net.au](mailto:admin@hotchili.net.au)

[www.hotchili.net.au](http://www.hotchili.net.au)



## Summary of Activities

Hot Chili Limited (ASX code HCH) ("Hot Chili" or "Company") is pleased to have completed a maiden 5,000m drilling programme across two of its three recently secured high grade copper mines in Chile - San Antonio and Valentina.

Drilling has been successful in confirming large extensions of high grade copper below the shallowly developed San Antonio mine. Given the high grade nature of mineralisation and potentially low strip ratios, San Antonio looks set to become a key addition to Hot Chili's large-scale open pit resource inventory.



**View looking west across the San Antonio copper mine (approximately 1km strike extent)**

San Antonio's addition has the potential to make a significant positive impact on the head grade of Hot Chili's future copper production plans.

Maiden drilling results from Valentina have also exceeded the Company's expectations, with two of the three holes drilled intersecting shallow, high grade copper mineralisation over moderate widths. Given these results, Hot Chili aims to extend drilling across the Valentina copper mine area (located 5km north of San Antonio) in advance of future resource definition activities.

Valentina provides a second nearby resource growth opportunity and the beginnings of camp of high grade satellite ore sources immediately east of Productora.

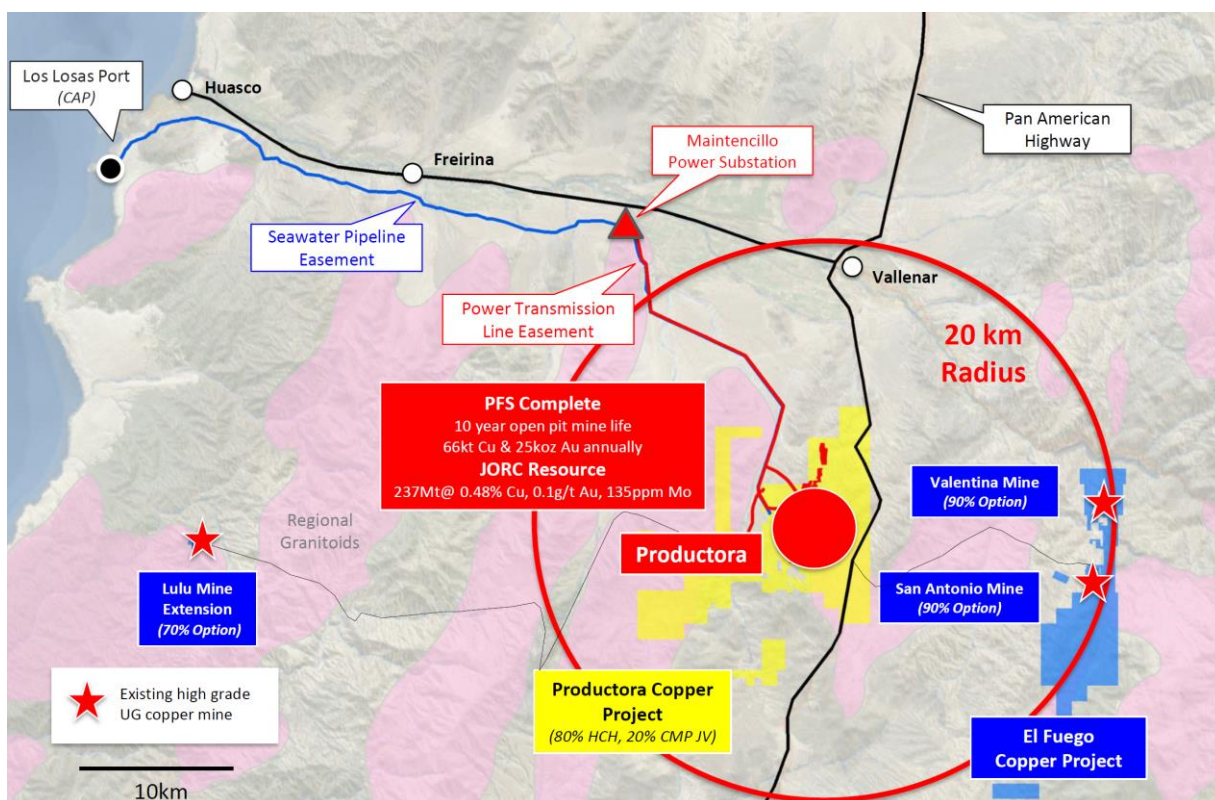
Activities are now well advanced in preparation for lodging environmental applications for a second campaign of drilling at San Antonio and Valentina, planned for the new year.

In addition to Valentina, the Lulu copper mine extension (Figure 1) and multiple large copper targets defined along the San Antonio – Valentina corridor (8km) offer a strong pipeline of additional high grade copper exploration targets within the consolidated El Fuego copper project.

The Company is actively pursuing several additional high grade and bulk scale copper project opportunities, to incorporate into its Productora copper development. The company's consolidation phase is in its early stages and further acquisitions are planned in advance of the commencement of further drilling activities to ensure that future resource growth expenditure can be aligned with the most value-accretive opportunities.

### San Antonio Drilling Demonstrates Strong Continuity

San Antonio lies 20km east of Hot Chili's Productora copper project in Chile and forms part of the Company's consolidated El Fuego high grade growth project as shown in Figure 1.



**Figure 1 The new consolidated El Fuego copper project in relation to the Company's existing large-scale Productora copper project.**

Final drill results for the Company's San Antonio maiden drilling campaign were received during the quarter, highlighting strong continuity of shallow, high grade copper mineralisation over 700m strike extent.





An impressive list of stand-out drilling intersections have been assembled from the Company's drilling at San Antonio, which include:

- **19m grading 2.0% copper** from 61m down-hole (**including 11m grading 2.4% copper**),
- **15m grading 1.7% copper** from 80m down-hole,
- **13m grading 1.3% copper** from 17m down-hole (**including 5m grading 2.3% copper**),
- **53m grading 0.9% copper** from 72m down-hole (**including 27m grading 1.3% copper**),
- **10m grading 1.6% copper** from 58m down-hole (**including 4m grading 2.7% copper**),
- **5m grading 2.5% copper** from 31m down-hole (**including 2m grading 4.3% copper**),
- **18m grading 1.3% copper** from 52m down-hole (**including 5m grading 2.1% copper**),
- **11m grading 1.6% copper** from 83m down-hole,
- **9m grading 2.0% copper** from 132m down-hole,
- **16m grading 1.1% copper** from 93m down-hole (**including 5m grading 2.7% copper**), and
- **6m grading 2.1% copper** from 65m down-hole,

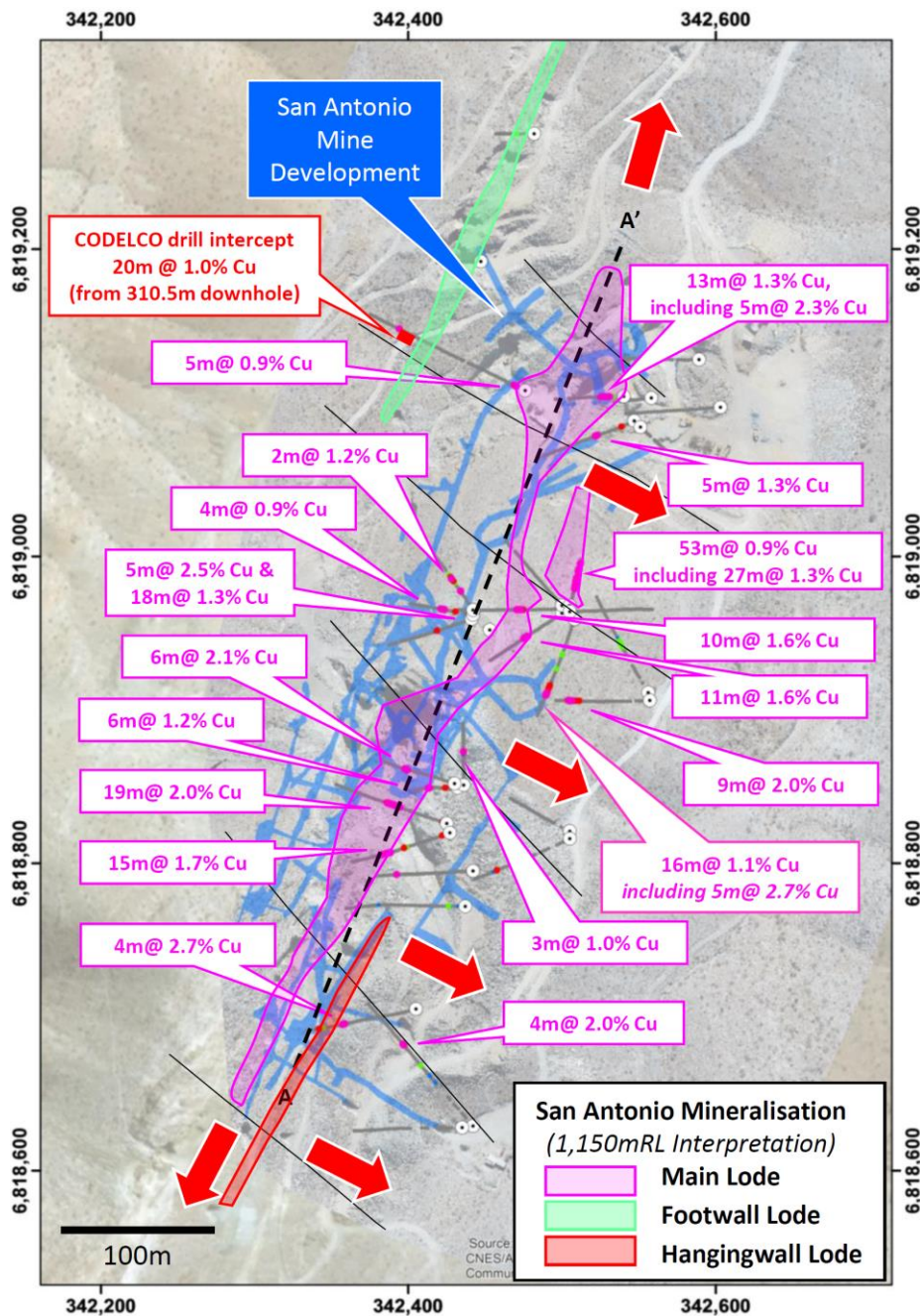
These results highlight that mineralisation at San Antonio remains open at depth and along strike as displayed in Figures 2,3 and 4 below.

Drill planning is currently underway in advance of submission of regulatory applications to commence follow-up and resource definition drilling, with San Antonio fast shaping as the first of several high grade satellite copper deposits that Hot Chili is looking to incorporate into its large-scale, bulk tonnage Productora copper development, located just 20km to the west.

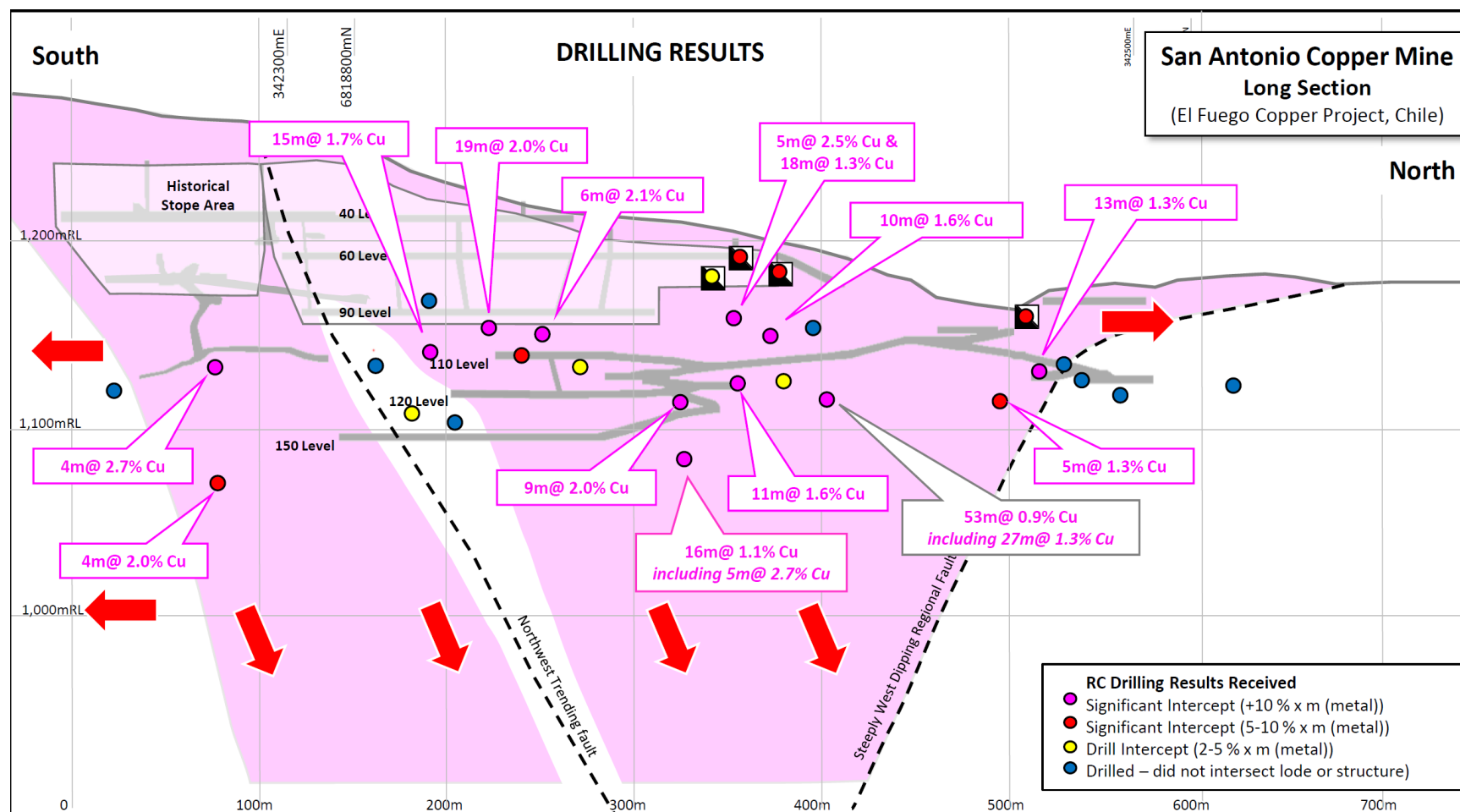
The San Antonio underground mine has reportedly produced approximately 2Mt grading 2% copper from shallow depths, with the average copper grade indicated by extensional drilling and mining at San Antonio being approximately three to four times the average resource grade of Productora (0.48% copper).

San Antonio is now positioned to become a key addition to the Company's existing large resource base - already standing at 1.5Mt copper and 1.0Moz gold.



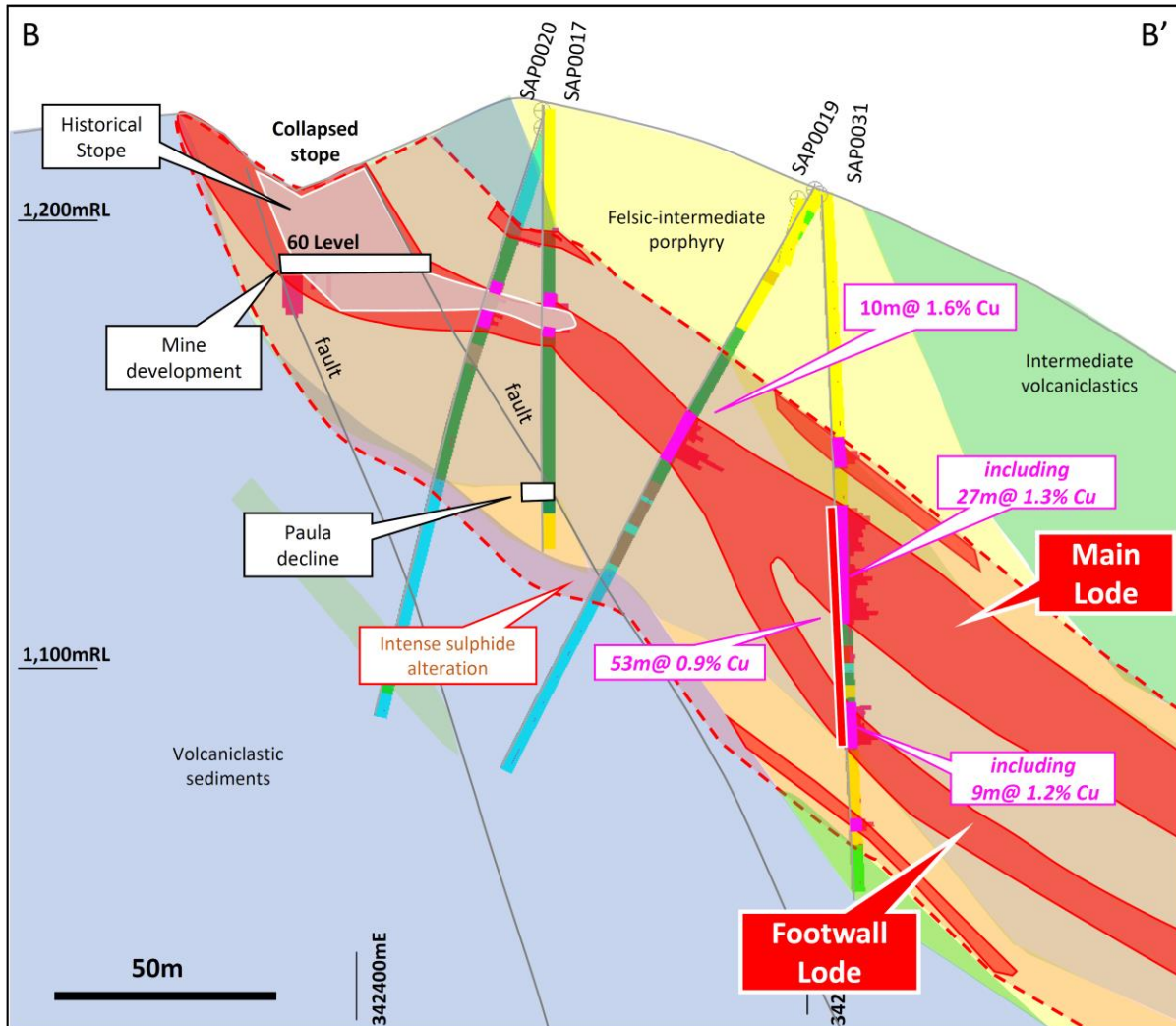


**Figure 2 Plan displaying the location of significant drill intercepts in relation to the San Antonio underground development and interpretation of high grade copper mineralisation approximately 50m below surface (1,150m RL).**



**Figure 3 Long Section (looking west) displaying the pierce point locations of stand-out drill results (circles) at San Antonio**





**Figure 4 Cross Section (looking north) displaying the continuation of the San Antonio Main Lode below the existing underground mine development as confirmed by recent drill results.**

### Valentina Delivers Strong First Drill Results

Although Hot Chili's recently completed drilling programme primarily focussed on assessing the potential of the San Antonio copper mine area, three shallow drill holes were also completed across the southern extent of the shallowly developed Valentina copper mine, located 5km north of San Antonio as shown in Figure 1.

Pleasingly, two of these holes have recorded significant drilling intersections including:

- 12m grading 1.5% copper from 28m down-hole (**including 6m grading 2.7% copper**), and
- 8m grading 2.0% copper from 124m down-hole (**including 2m grading 4.8% copper**).





The drill holes were located immediately south of the Valentina underground development and have successfully confirmed significant strike and depth extensional potential to high grade copper mineralisation (refer to Figures 5 and 6).

Detailed compilation and exploration work by Hot Chili in the lead up to Valentina drilling had indicated:

- Certified mine production data from 1997 reported small-scale underground mining extracted sulphide ore parcels with grades ranging between 3.4% and 4.8% copper
- Widths of mineralisation within Valentina mine area range from 1-5 metres, with mine development centred across 230 metres of strike extent
- Seven historical drill holes across the mine area, which included an end-of-hole significant drill intersection of 11m grading 2.0% copper (including 7m grading 2.7% copper) from 120m down-hole, had not been followed-up
- Surface rock chip results and mapping have defined over 700 metres of strike potential along the main Valentina trend

Drilling completed by the Company has confirmed that high grade sulphide copper mineralisation extends from near-surface and is associated with chalcopyrite and bornite.

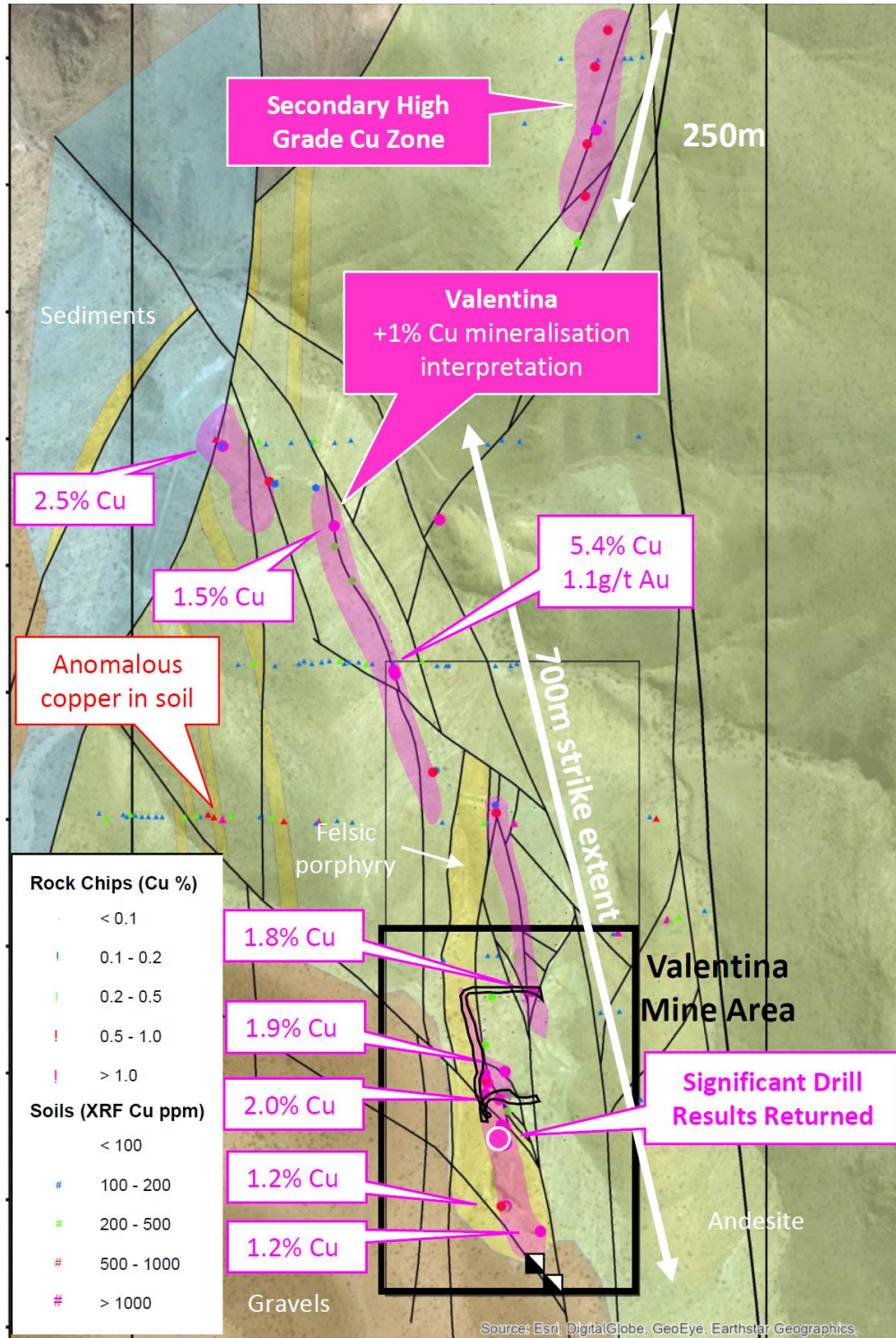
Mineralisation reportedly intersected in historical drilling has been successfully located and is interpreted to be fault-hosted, dipping steeply towards the east within a sequence of volcanic-sedimentary units, similar to the deposit setting of San Antonio located 5km to the south.

Follow-up drilling will be planned to expand drill coverage across the larger strike potential of Valentina ahead of resource definition activities.

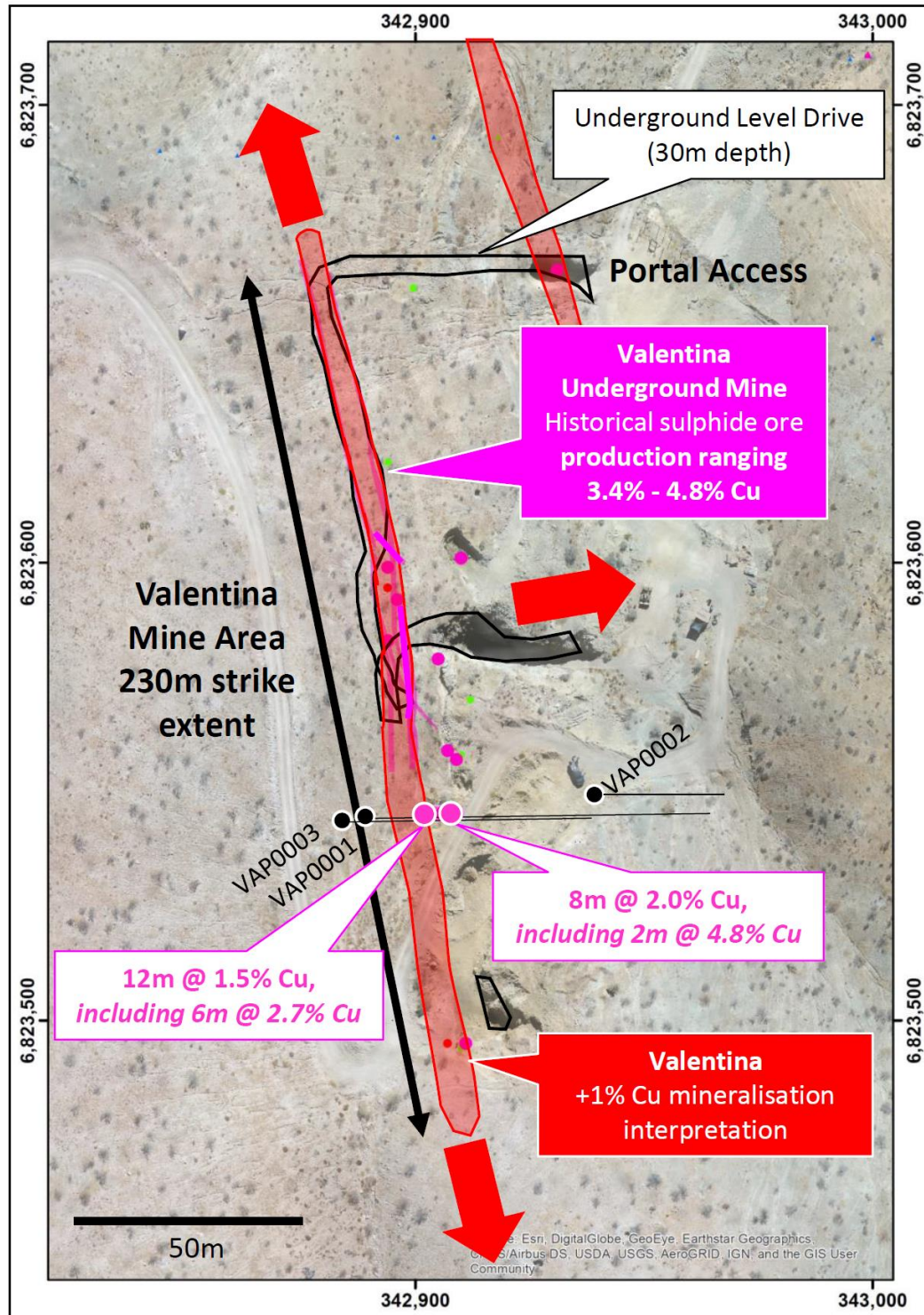
Given the success of first-pass drilling at the San Antonio copper mine, Valentina represents a second shallow copper deposit which will add further scale to Hot Chili's targeted high grade resource inventory.







**Figure 5 Plan displaying the location of drill holes in relation to the Valentina underground mine area and surrounding geology, structure and surface rock chip results.**



**Figure 6 Plan view displaying the location of significant intersections recorded in the three drill holes completed across the southern extent of the Valentina mine area.**





## Hot Chili Pursuing Further Project Acquisition Opportunities

Leveraging off almost ten years operating in Chile, and an existing large resource base of 1.5Mt copper and 1.0Moz gold, Hot Chili is well positioned to take advantage of any potential project opportunities within trucking distance of Productora.

The Company continues to assess these opportunities for further consolidation around its Productora copper project in Chile, with assessments advancing on a number of exciting projects during the quarter.

Several stakeholder discussions also continue to advance as the Company investigates potential partnership opportunities which can take advantage of Productora's planned future large-scale, low-cost processing facilities.

## Health, Safety, Environment and Quality

Hot Chili's sustainability framework ensures an emphasis on business processes that target long-term economic, environmental and social value. The Company is dedicated to continual monitoring and improvement of health, safety and the environmental systems.

The company is pleased to report that there were no incidents recorded for the quarter. Field operations during the period including drilling, field mapping and surface sampling exercises at the San Antonio and Valentina landholdings.

The Company's HSEQ quarterly performance is summarised below:

### HSEQ Quarter 3 2018 Performance and Statistics

Item	Jul-Sep 18	Last 24 Months
LTI events	0	0
NLTI events	0	0
Days lost	0	0
LTIFR index	0	0
ISR index	0	0
Thousands of mh (1)	0.62	27.42
Environmental incidents	0	0
Headcount (1)	4.7	182

Notes: HSEQ is the acronym for Health, Safety, Environment and Quality. LTIFR per million man hours. Safety performance is reported on a monthly basis to the National Mine Safety Authority on a standard E-100 form; (1) man-hours; (2) Average monthly headcount

## Tenement Changes During the Quarter

No changes have occurred to the Company's tenement holdings during the quarter.





## Qualifying Statements

### JORC Compliant Ore Reserve Statement

#### Productora Open Pit Probable Ore Reserve Statement – Reported 2nd March 2016

Ore Type	Reserve Category	Tonnage (Mt)	Grade			Contained Metal			Payable Metal		
			Cu (%)	Au (g/t)	Mo (ppm)	Copper (tonnes)	Gold (ounces)	Molybdenum (tonnes)	Copper (tonnes)	Gold (ounces)	Molybdenum (tonnes)
Oxide	Probable	24.1	0.43	0.08	49	103,000	59,600	1,200	55,600		
Transitional		20.5	0.45	0.08	92	91,300	54,700	1,900	61,500	24,400	800
Fresh		122.4	0.43	0.09	163	522,500	356,400	20,000	445,800	167,500	10,400
<b>Total</b>	<b>Probable</b>	<b>166.9</b>	<b>0.43</b>	<b>0.09</b>	<b>138</b>	<b>716,800</b>	<b>470,700</b>	<b>23,100</b>	<b>562,900</b>	<b>191,900</b>	<b>11,200</b>

Note 1: Figures in the above table are rounded, reported to two significant figures, and classified in accordance with the Australian JORC Code 2012 guidance on Mineral Resource and Ore Reserve reporting. Note 2: Price assumptions: Cu price - US\$3.00/lb; Au price US\$1200/oz; Mo price US\$14.00/lb. Note 3: Mill average recovery for fresh Cu - 89%, Au - 52%, Mo - 53%. Mill average recovery for transitional; Cu 70%, Au - 50%, Mo - 46%. Heap Leach average recovery for oxide; Cu - 54%. Note 4: Payability factors for metal contained in concentrate: Cu - 96%; Au - 90%; Mo - 98%. Payability factor for Cu cathode - 100%.

### JORC Compliant Mineral Resource Statements

#### Productora Higher Grade Mineral Resource Statement, Reported 2nd March 2016

Deposit	Classification	Tonnage (Mt)	Grade			Contained Metal		
			Cu (%)	Au (g/t)	Mo (ppm)	Copper (tonnes)	Gold (ounces)	Molybdenum (tonnes)
Productora	Indicated	166.8	0.50	0.11	151	841,000	572,000	25,000
	Inferred	51.9	0.42	0.08	113	219,000	136,000	6,000
	<b>Sub-total</b>	<b>218.7</b>	<b>0.48</b>	<b>0.10</b>	<b>142</b>	<b>1,059,000</b>	<b>708,000</b>	<b>31,000</b>
Alice	Indicated	15.3	0.41	0.04	42	63,000	20,000	600
	Inferred	2.6	0.37	0.03	22	10,000	2,000	100
	<b>Sub-total</b>	<b>17.9</b>	<b>0.41</b>	<b>0.04</b>	<b>39</b>	<b>73,000</b>	<b>23,000</b>	<b>700</b>
Combined	Indicated	182.0	0.50	0.10	142	903,000	592,000	26,000
	Inferred	54.5	0.42	0.08	109	228,000	138,000	6,000
	<b>Total</b>	<b>236.6</b>	<b>0.48</b>	<b>0.10</b>	<b>135</b>	<b>1,132,000</b>	<b>730,000</b>	<b>32,000</b>

Reported at or above 0.25 % Cu. Figures in the above table are rounded, reported to two significant figures, and classified in accordance with the Australian JORC Code 2012 guidance on Mineral Resource and Ore Reserve reporting. Metal rounded to nearest thousand, or if less, to the nearest hundred.



## Productora Low Grade Mineral Resource Statement, Reported 2nd March 2016

Deposit	Classification	Tonnage (Mt)	Grade			Contained Metal		
			Cu (%)	Au (g/t)	Mo (ppm)	Copper (tonnes)	Gold (ounces)	Molybdenum (tonnes)
Productora	Indicated	150.9	0.15	0.03	66	233,000	170,000	10,000
	Inferred	50.7	0.17	0.04	44	86,000	72,000	2,000
	<b>Sub-total</b>	<b>201.6</b>	<b>0.16</b>	<b>0.04</b>	<b>60</b>	<b>320,000</b>	<b>241,000</b>	<b>12,000</b>
Alice	Indicated	12.3	0.14	0.02	29	17,000	7,000	400
	Inferred	4.1	0.12	0.01	20	5,000	2,000	100
	<b>Sub-total</b>	<b>16.4</b>	<b>0.13</b>	<b>0.02</b>	<b>27</b>	<b>22,000</b>	<b>9,000</b>	<b>400</b>
Combined	Indicated	163.2	0.15	0.03	63	250,000	176,000	10,000
	Inferred	54.8	0.17	0.04	43	91,000	74,000	2,000
	<b>Total</b>	<b>218.0</b>	<b>0.16</b>	<b>0.04</b>	<b>58</b>	<b>341,000</b>	<b>250,000</b>	<b>13,000</b>

Reported at or above 0.1% Cu and below 0.25 % Cu. Figures in the above table are rounded, reported to two significant figures, and classified in accordance with the Australian JORC Code 2012 guidance on Mineral Resource and Ore Reserve reporting. Metal rounded to nearest thousand, or if less, to the nearest hundred. Metal rounded to nearest thousand, or if less, to the nearest hundred.

## Mineral Resource and Ore Reserve Confirmation

The information in this report that relates to Mineral Resources and Ore Reserve estimates on the Productora copper projects were originally reported in the ASX announcements “Hot Chili Delivers PFS and Near Doubles Reserves at Productora” dated 2nd March 2016. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in that 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.

## Competent Person’s Statement- Exploration Results

Exploration information in this Announcement is based upon work undertaken by Mr Christian Easterday, the Managing Director and a full-time employee of Hot Chili Limited whom is a Member of the Australasian Institute of Geoscientists (AIG). Mr Easterday has sufficient experience that is relevant to the style of mineralisation and type of deposit 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’ (JORC Code). Mr Easterday consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

## Competent Person’s Statement- Mineral Resources

The information in this Announcement that relates to the Productora Project Mineral Resources, is based on information compiled by Mr J Lachlan Macdonald and Mr N Ingvar Kirchner. Mr Macdonald is a part time employee of Hot Chili, and is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Kirchner is employed by AMC Consultants (AMC). AMC has been engaged on a fee for service basis to provide independent technical advice and final audit for the Productora Project Mineral Resource estimates. Mr Kirchner is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM) and is a Member of the Australian Institute of Geoscientists (AIG). Both Mr Macdonald and Mr Kirchner have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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 2012). Both Mr Macdonald and Mr Kirchner consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.



## Competent Person's Statement- Ore Reserves

The information in this Announcement that relates to Productora Project Ore Reserves, is based on information compiled by Mr Carlos Guzmán, Mr Boris Caro, Mr Leon Lorenzen and Mr Grant King. Mr Guzmán is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM), a Registered Member of the Chilean Mining Commission (RM- a 'Recognised Professional Organisation' within the meaning of the JORC Code 2012) and a full time employee of NCL Ingeniería y Construcción SpA (NCL). Mr Caro is a former employee of Hot Chili Ltd, now working in a consulting capacity for the Company, and is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and a Registered Member of the Chilean Mining Commission. Mr Lorenzen is employed by Mintrex Pty Ltd and is a Chartered Professional Engineer, Fellow of Engineers Australia, and is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr King is employed by AMEC Foster Wheeler (AMEC FW) and is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). NCL, Mintrex and AMEC FW have been engaged on a fee for service basis to provide independent technical advice and final audit for the Productora Project Ore Reserve estimate. Mr. Guzmán, Mr Caro, Mr Lorenzen and Mr King have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity which they are 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'. Mr Guzmán, Mr Caro, Mr Lorenzen and Mr King consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

## Forward Looking Statements

This Announcement is provided on the basis that neither the Company nor its representatives make any warranty (express or implied) as to the accuracy, reliability, relevance or completeness of the material contained in the Announcement and nothing contained in the Announcement is, or may be relied upon as a promise, representation or warranty, whether as to the past or the future. The Company hereby excludes all warranties that can be excluded by law. The Announcement contains material which is predictive in nature and may be affected by inaccurate assumptions or by known and unknown risks and uncertainties, and may differ materially from results ultimately achieved.

The Announcement contains "forward-looking statements". All statements other than those of historical facts included in the Announcement are forward-looking statements including estimates of Mineral Resources. However, forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to, copper, gold and other metals price volatility, currency fluctuations, increased production costs and variances in ore grade recovery rates from those assumed in mining plans, as well as political and operational risks and governmental regulation and judicial outcomes. The Company does not undertake any obligation to release publicly any revisions to any "forward-looking statement" to reflect events or circumstances after the date of the Announcement, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws. All persons should consider seeking appropriate professional advice in reviewing the Announcement and all other information with respect to the Company and evaluating the business, financial performance and operations of the Company. Neither the provision of the Announcement nor any information contained in the Announcement or subsequently communicated to any person in connection with the Announcement is, or should be taken as, constituting the giving of investment advice to any person.





## 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

Hot Chili Limited

#### ABN

91 130 955 725

#### Quarter ended ("current quarter")

30 September 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (..3.....months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(1,766)	(1,766)
(b) development	(2)	(2)
(c) production	-	-
(d) staff costs	(185)	(185)
(e) administration and corporate costs	(198)	(198)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 GST	-	-
1.8 Other - Settlement received	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(2,150)</b>	<b>(2,150)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	(69)	(69)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (..3.....months) \$A'000
	(c) investments	-	-
	(d) other non-current assets- CCHEN bond	-	-
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)	-	-
2.6	<b>Net cash from / (used in) investing activities</b>	<b>(69)</b>	<b>(69)</b>

3.	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(3)	(3)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	<b>Net cash from / (used in) financing activities</b>	<b>(3)</b>	<b>(3)</b>

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (..3.....months) \$A'000
<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	3,657	3,657
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,150)	(2,150)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(69)	(69)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(3)	(3)
4.5	Effect of movement in exchange rates on cash held	(25)	(25)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,410</b>	<b>1,410</b>

<b>5.</b>	<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	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	1,322	3,569
5.2	Call deposits	88	88
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,410</b>	<b>3,657</b>



<b>6.</b>	<b>Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to these parties included in item 1.2	118
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	

Directors fees, salaries and superannuation

<b>7.</b>	<b>Payments to related entities of the entity and their associates</b>	<b>Current quarter \$A'000</b>
7.1	Aggregate amount of payments to these parties included in item 1.2	959
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	

Drilling and EED work and office rental contracted on an arms length basis.

<b>8.</b>	<b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'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.		

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	200
9.2 Development	-
9.3 Production	-
9.4 Staff costs	150
9.5 Administration and corporate costs	150
9.6 Other (provide details if material)	-
<b>9.7 Total estimated cash outflows</b>	<b>500</b>

<b>10. 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		There have been no changes to tenement holdings during the quarter – please refer to the Activities Report		
10.2 Interests in mining tenements and petroleum tenements acquired or increased		There have been no changes to tenement holdings during the quarter – please refer to the Activities Report		

### 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: .....  
(Company secretary)

Date: .....31 October 2018.....

Print name: .....Lloyd Flint.....

### 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.