ACN 119 057 457

ASX QUARTERLY REPORT

FOR PERIOD ENDED 31ST DECEMBER 2016

HIGHLIGHTS: MT THIRSTY COBALT PROJECT:

- **RC drilling for metallurgical test work completed.**

  Intersections (within current JORC (2004) Resource outline) include:

  MTRC036 - 24m at 0.16% Co, 0.80% Ni from 18m
  MTRC037 - 17m at 0.16% Co, 0.77% Ni from 13m
  MTRC038 - 14m at 0.18% Co, 0.96% Ni from 14m
  MTRC039 - 20m at 0.32% Co, 0.42% Ni from 14m
  MTRC040 - 6m at 0.29% Co, 0.40% Ni from 30m
  MTRC041 - 9m at 0.12% Co, 0.71% Ni from 23m

- **1.5 tonnes RC drill samples sent to ALS Metallurgy in Perth**
- **Metallurgical test work currently in progress**

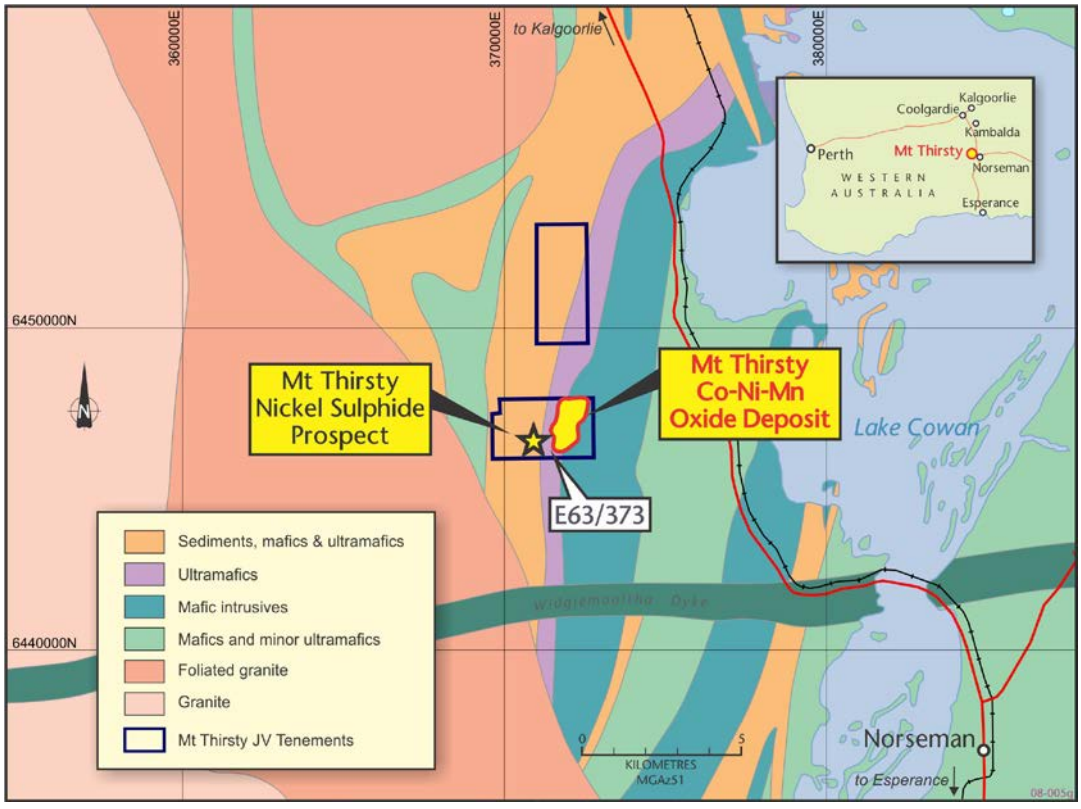

Figure 1: Mt Thirsty Project Location

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Telephone: (08) 9282 5889 Facsimile: (08) 9282 5866
Website: www.conico.com.au

MT THIRSTY COBALT PROJECT

(50% Conico: 50% Barra – *Joint Venture*)

The Mt Thirsty Cobalt Project is located 20km north-northwest of Norseman, Western Australia. Conico Ltd (ASX: CNJ) is the Joint Venture manager.

The Project contains the Mt Thirsty Cobalt-Nickel (Co-Ni) Oxide Deposit that has the potential to emerge as a significant cobalt producer. Further information can be found at **www.mtthirstycobalt.com**. In addition to the Co-Ni Oxide Deposit, the Project also hosts nickel sulphide (Ni-S) mineralisation.

Demand for cobalt looks encouraging as the world becomes more dependent on rechargeable power sources. Innovations with portable electronics and electric vehicle design are adding to this surging demand. However, the battery industry is also competing with demand for cobalt from producers of superalloys, aircraft turbines and chemical industries.

Demand is likely to escalate exponentially with battery production, however supply is uncertain due to:

- Over 60% of global supply coming from the politically unstable African countries such the Democratic Republic of Congo, Central African Republic and Zambia.
- Cobalt is largely a by-product of copper and nickel mining and there are an increasing number of mine closures and project deferments due to low commodity prices.

With potential supply constraints and surging demand, many commentators see pricing pressure as a likely eventuality.

The undeveloped Mt Thirsty Cobalt Project has a significant JORC compliant resource with a potential to have a long mine life. The Project is close to all necessary infrastructure (rail, road, power, water, and sea port) and, being in a mining orientated state, has the potential to attract a variety of interested parties including end users of cobalt. The Joint Venture partners are working collaboratively to exploit this joint opportunity and have launched a marketing initiative.

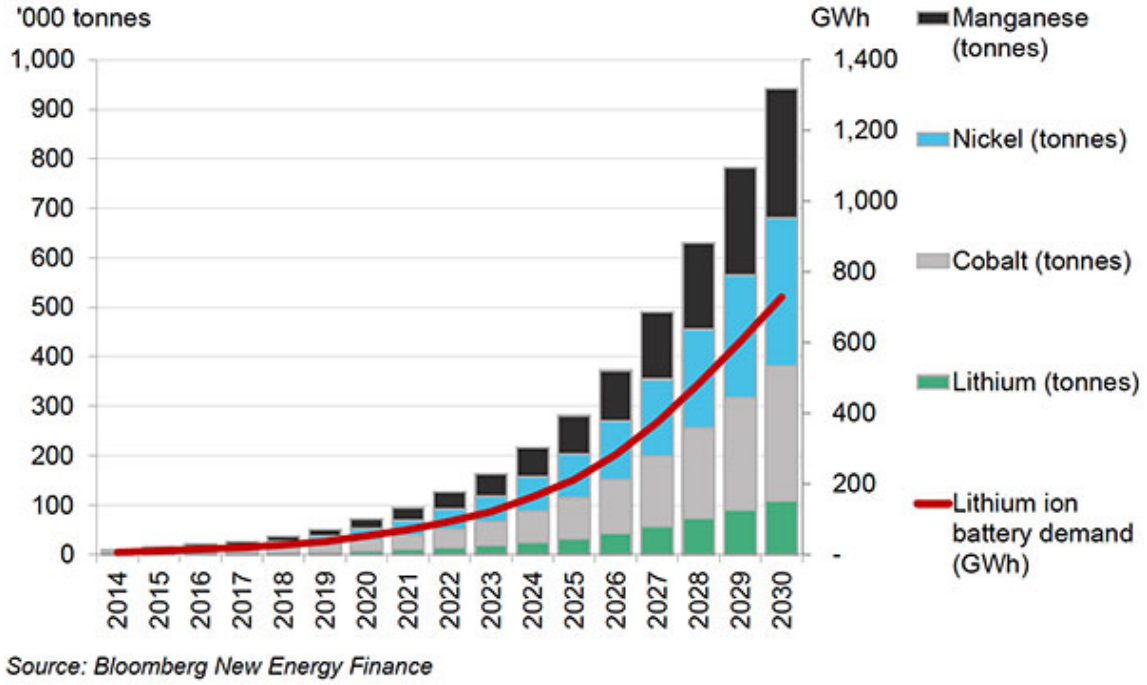


Figure 2: Global lithium-ion battery and materials demand forecast from EV sales, 2015-2030.

ACTIVITIES

RC Drilling

A six-hole reverse circulation drilling program totalling 234m was completed during the quarter. The holes were drilled within the area of the JORC (2004) Indicated Resource (Figure 3) to provide a range of samples for further metallurgical testwork. All holes were drilled vertically and sampled in 1m intervals using a rotary splitter. Significant results are summarised in Table 1 below. All of the available sample material (1.5 tonnes in total) from the intersections below was sent to Perth for use in the planned testwork. The significant cobalt intersections comprised soft clay-rich material derived from strongly weathered ultramafic rocks.

Further details regarding the drilling and sampling are set out in Appendix 1.

Table 1: Metallurgical RC Drilling - Summary of Cobalt Intersections

Hole No.	Easting	Northing	RL	Depth	From	To	Interval	Co*	Ni	Mn
	AGD84 Zone 51		m	m	m	m	m	%	%	%
MTRC036	372162	6447455	380	54	18	42	24	0.16	0.80	1.58
MTRC037	372244	6447455	378	30	13	30	17	0.16	0.77	1.04
MTRC038	372349	6447457	371	35	14	28	14	0.18	0.96	1.60
MTRC039	371956	6447000	385	40	14	34	20	0.32	0.42	2.26
MTRC040	372115	6447001	396	40	30	36	6	0.29	0.40	1.90
MTRC041	372295	6446999	383	35	23	32	9	0.12	0.71	0.89

*A cut off assay of 0.06% Co was used for the above intersections**.** Intersections are close to true width.

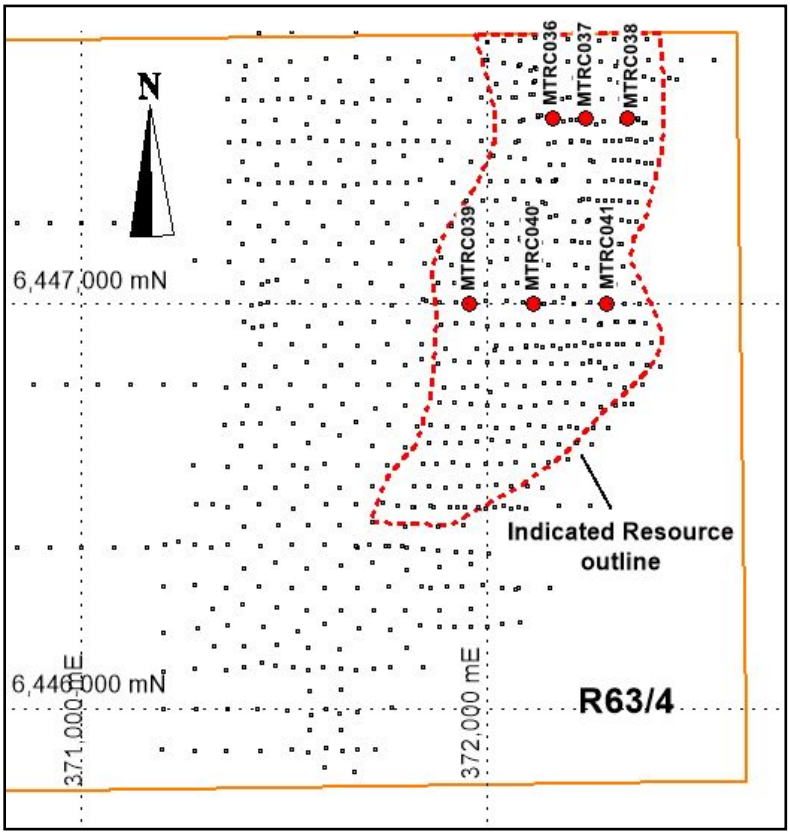


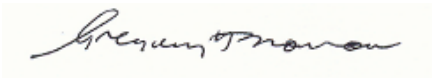
Figure 3: Location of recent RC drill holes and JORC (2004) Indicated Resource outline. The dots are all previous drill holes (AGD84 Zone 51).

Metallurgical Testwork and Scoping Study

The 1.5 tonnes of RC drill samples were sent to ALS Metallurgy in Perth and testwork is currently in progress.

The current phase of metallurgical testwork will expand on and increase the level of confidence in previous testwork undertaken which has shown that agitated leaching using sulphur dioxide (SO_2) at atmospheric pressure and low temperature (<50^{o}C) recovers up to 80% of the cobalt and over 25% of the nickel within a few hours of leaching. The results of the metallurgical testwork will be fed directly into a Scoping Study over the Mt Thirsty Cobalt Oxide Deposit.

The Scoping Study, to be overseen by a team of highly regarded industry figures headed by former Western Mining Corporation's manager of Metallurgy, Mr. Bob Bourne, will focus on the agitated leaching process to determine the capital and operating expenditure forecasts ahead of a potential pre-feasibility study later this year. At completion of the Scoping Study, the Mt Thirsty Joint venture (MTJV) will be able to better determine the funding requirements and development options which may be available to bring the project to fruition.



Greg Solomon
Chairman

Disclaimer

The interpretations and conclusions reached in this report are based on current geological theory and the best evidence available to the authors at the time of writing. It is the nature of all scientific conclusions that they are founded on an assessment of probabilities and, however high these probabilities might be, they make no claim for complete certainty. Any economic decisions that might be taken on the basis of interpretations or conclusions contained in this report will therefore carry an element of risk.

It should not be assumed that the reported Exploration Results will result, with further exploration, in the definition of a Mineral Resource.

Competent Persons Statement

The information in this quarterly report that relates to Exploration Targets, Exploration Results and Mineral Resources is based on and fairly represents information compiled by Michael J Glasson and Robert N Smith, Competent Persons who are members of the Australian Institute of Geoscientists.

Mr Glasson and Mr Smith are employees of Tasman Resources Ltd and in this capacity act as part time consultants to Conico Ltd. Mr Glasson and Mr Smith hold shares in Conico Ltd.

Mr Glasson and Mr Smith have sufficient experience which is relevant to the style of mineralisation and type of the deposits under consideration and to the activity being undertaking to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Glasson and Mr Smith consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Mt Thirsty Project Summary

The Mt Thirsty Cobalt – Nickel - Manganese oxide project covering an area of 11.5km2 is located 20km north-northwest of Norseman in the southern goldfields of Western Australia, a well-endowed nickel terrain (see Figure 1). Conico Ltd through its wholly owned subsidiary Meteore Metals Pty Ltd owns 50% of the project in joint venture with Barra Resources Limited. The Mt Thirsty deposit has the potential to emerge as a significant cobalt supplier.

The project hosts the Mt Thirsty Cobalt Oxide Deposit (Table 2) which has the potential to emerge as a significant cobalt supplier. Refer also Cross Section through Mt Thirsty deposit, Figure 4 below.

Table 2: Mt Thirsty Cobalt Oxide Deposit Mineral Resource Summary (0.06% Co cut off)

Mineral Resource Category	Tonnes	Cobalt (Co) (%)	Nickel (Ni) (%)	Manganese (Mn) (%)
Indicated	16,600,000	0.14	0.60	0.98
Inferred	15,340,000	0.11	0.51	0.73
Total Mineral Resource	**31,940,000**	**0.13**	**0.55**	**0.86**

(This resource information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported, refer ASX Announcement 8th March 2011: "Resource Upgrade", available to view on www.conico.com.au).

Extensive metallurgical testwork in recent years has indicated that high recoveries of cobalt can be achieved via agitated, low temperature, atmospheric leaching using cheaper and more efficient sulphur dioxide (SO2) as the main leaching agent resulting in a more practical and economic leaching method by specifically targeting cobalt only.

Two flowsheets, one utilising a paste thickener and the other using an ion exchange resin-in-pulp (RIP), are still under investigation. Both have low water consumption, low reagent consumption and greater than 80% cobalt and 25% nickel recoveries. Preliminary estimations justify continued work to progress to a pre-feasibility stage.

The Mt Thirsty Cobalt Oxide Deposit currently represents an excellent long-term, low cost, cobalt production opportunity.

As well as the Co-Ni oxide resource, the Mt Thirsty joint venture tenements have potential for nickel sulphide mineralisation at greater depths within the same ultramafic sequence which hosts the near surface oxide deposit.

Intersections of nickel sulphides up to 6m down hole at 3.4% Ni were made by the joint venture in 2010 within E63/373 (refer ASX announcement 19th May 2010: "High Grades Intersected at Mt Thirsty", available to view on www.conico.com.au).

For more details on the Mt Thirsty Cobalt Project, shareholders and investors are encouraged to visit the Project website at www.mtthirstycobalt.com.

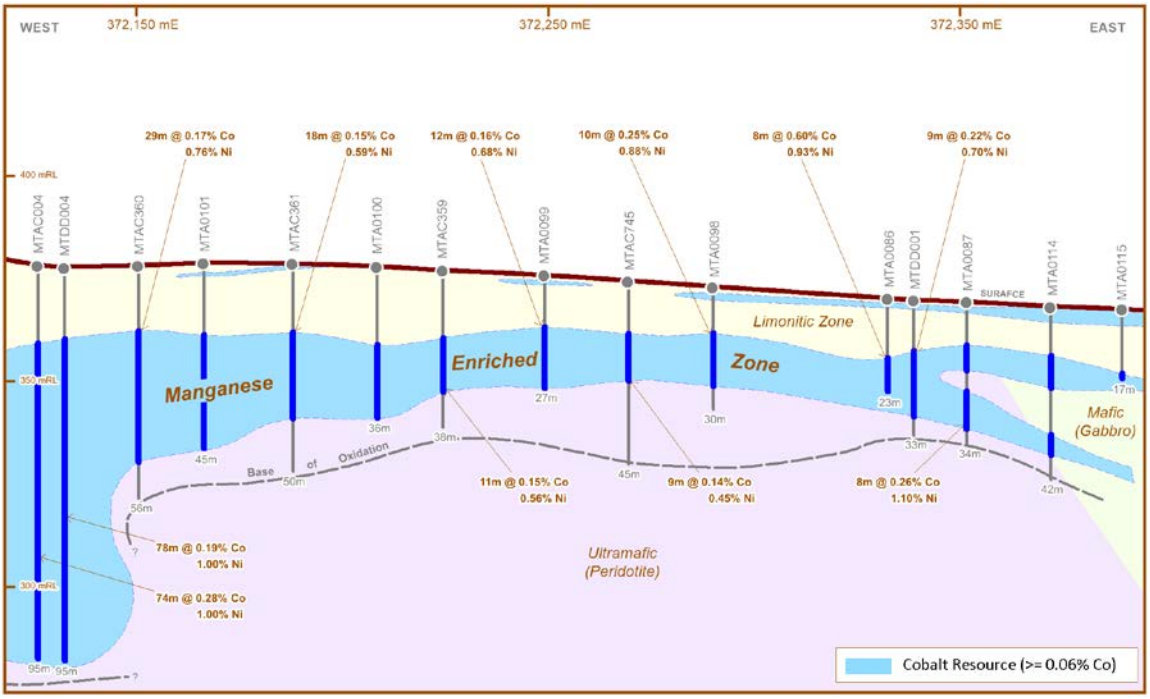


Figure 4: Representative schematic cross-section through the Mt Thirsty Cobalt – Nickel Oxide Deposit

Interests in Mining Tenements

Tenements	Location	Interest held at end of quarter	Acquired during the quarter	Disposed during the quarter
E63/1267	WA	50%		
R63/4	WA	50%		
ELA63/1790	WA	50%		
PA63/2045	WA	50%		
E63/1778	WA	100%		
E63/1779	WA	100%		

Appendix 1: Mt Thirsty Oxide Deposit – Metallurgical Sampling

Section 1: Sampling Techniques and Data		
Criteria	**JORC Code explanation**	**Commentary**
Sampling techniques.	*Nature and quality of sampling (eg. cut channels, random chips or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	The samples have been obtained by drilling 6 vertical reverse circulation (RC) holes to a maximum depth of 54m within R63/4.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Holes were drilled at regular spacings along 2 lines within the JORC (2004) Indicated Resource area. Holes were sampled at even regular 1m intervals.
	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where "industry standard" work has been done this would be relatively simple (eg "reverse circulation drilling was used to obtain 1m samples from which 3 kg was pulverised to produce a 30g charge for fire assay"). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	RC drilling was used to obtain 1m samples from which a 2kg split was bagged and sent to the laboratory. The sample was then dried and pulverised and a 40gm sub sample analysed for Co, Ni, Mn, Al & Fe using a four acid digest with an ICP MS finish for Co and ICP OES for the other elements.
Drilling techniques.	*Drill type (eg. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka etc.) and details (eg. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	RC hammer drilling (146mm hole diameter) was used throughout as it was found that this coped better with the soft puggy clays without the necessity for water injection.
Drill sample recovery.	*Whether core and chip sample recoveries have been properly recorded and results assessed.*	Sample recovery was generally excellent in dry powdery clay which hosts most of the mineralisation. A few intervals with obvious poorer sample recovery were recorded in the logs. These were mostly outside the mineralised zone. Sample bags have been weighed by the metallurgy laboratory to quantify sample recovery.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	Drill hole cuttings were collected in a cyclone, and subsequently reduced in volume with a rotary splitter attached to the cyclone. The cyclone and splitter were cleaned thoroughly between each 6 metre rod.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	Most of the material drilled is strongly oxidised, soft and relatively fine grained. No significant sample bias is expected to have occurred due to preferential loss of fine/coarse material.

Logging.	*Whether core and chip samples have been logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	Logging is conducted in detail at the drill site by the site geologist, who routinely records weathering, lithology, alteration, mineralisation, or any other relevant features. It is considered to be logged at a level of detail to support appropriate Mineral Resource estimation and mining studies.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel etc.) photography.	Logging is qualitative in nature.
	The total length and percentage of the relevant intersections logged.	The entire length of each hole was logged in 1m intervals.
Sub-sampling techniques and sample preparation.	*If core, whether cut or sawn and whether quarter, half or all core taken.* *If non-core, whether riffled, tube sampled, rotary split etc. and whether sampled wet or dry.*	n/a. All drill chips were split with a rotary splitter and the remaining sample collected in large plastic bags and placed in rows on the ground. Duplicate samples were obtained from the bag with a PVC tube. All samples were dry.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Sample preparation followed industry standard practice of drying, coarse crushing to -6mm, before pulverising to 90% passing 75 micron.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	To meet QAQC requirements duplicates were placed at irregular intervals in the sample stream, one duplicate per drill hole. Certified blanks (OREAS 24P) were also placed in the sample stream at the rate of 1 in 100, at each hundredth sample. Additionally, two different certified standards were also used in the sample stream (OREAS 72A and OREAS 162) at the rate of 2 standards per 100 samples. These were placed at the 25th and 75th number of every hundred samples.
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicates/second half sampling.	Of the six duplicates collected (1 from each hole) three showed less than 5% variation, one 8%, one 14% and one high grade sample 33%. Duplicate samples were speared from the bag and possibly were less representative than the split samples. This could account for the signif. variation in the high grade sample.
	Whether sample sizes are appropriate to the grainsize of the material being sampled.	Material being sampled is generally fine grained, and a 2-3kg sample from each metre is considered quite adequate.
Quality of assay data and laboratory tests.	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	Samples were crushed and pulverised, and analysed for Co, Ni, Mn, Al & Fe by Bureau Veritas using a four acid digest with an ICP MS finish for Co and ICP OES for the others. These procedures are considered appropriate for the elements and style of mineralisation. Analysis is considered total.
	For geophysical tools, spectrometer, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation etc.	No tools used.
	Nature of quality control procedures adopted (eg. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie. lack of bias) and precision have been established.	The internal laboratory QAQC procedures included analysing their own suite of internal standards and blanks within every sample batch and also adding sample duplicates.

Verification of sampling and assaying.	*The verification of significant intersections by either independent or alternative company personnel.* *The use of twinned holes.* *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* *Discuss any adjustment to assay data.*	Significant intersections are determined by company personnel, and checked internally. 5 of the RC holes are twins of previous air core holes and results will be compared in due course. Individual sample numbers are generated and matched on site with down hole depths. Sample numbers are then used to match assays when received from the laboratory. Verification of data is managed and checked by company personnel with extensive experience. All data is stored electronically, with industry standard systems and backups. Data is not subject to any adjustments.
Location of data points.	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* *Specification of the grid system used.* *Quality and adequacy of topographic control.*	Collar locations were determined by hand held GPS and are accurate to approximately +/- 5m); GPS derived RLs are not sufficiently accurate for use. The grid system used is AGD84; AMG Zone 51 to match a previously established grid. A DTM and 2.5m spaced topographic contours have been prepared from ortho-photomaps and hole RLs are measured from these. This topographic control is considered quite adequate for the current purposes.
Data spacing and distribution.	*Data spacing for reporting of Exploration Results.* *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* *Whether sample compositing has been applied.*	The RC holes were drilled for obtaining metallurgical samples only not relevant All holes were sampled and assayed in 1m intervals and no compositing has been applied.
Orientation of data in relation to geological structure.	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	The mineralisation is mostly contained within a flat lying weathering blanket and vertical holes achieve unbiased sampling in most cases. n/a
Sample security	*The measures taken to ensure sample security.*	Samples were delivered to a dedicated cartage contractor in Norseman by company employees.
Audits or reviews.	*The results of any audits or reviews of sampling techniques and data.*	No audits or reviews carried out for this met drilling exercise as it was considered not to be warranted.

Section 2: Reporting of Exploration Results (criteria listed in the preceding group apply also to this group)		
Criteria	**JORC Code explanation**	**Commentary**
Mineral tenement and land tenure status.	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	The exploration results relate to the Mt Thirsty Project, located approximately 20km north west of Norseman, Western Australia. The tenements are owned 50% by Conico Ltd through its subsidiary Meteore Metals Pty Ltd and 50% by Barra Resources Ltd (The Mt Thirsty Joint Venture). The project includes retention licence, R63/4, and exploration licence 63/1267, The cobalt-nickel oxide resource referred to in this announcement is located on R63/4. A 1.75% NSR royalty is payable on any production from R63/4 to a third party relating to Meteore's interest. The tenements lie within the Ngadju native title claim (WC99/002), and agreements between the claimants and Conico are designed to protect Aboriginal heritage sites and facilitate access. There are no historical or wilderness sites or national parks or known environmental settings that affect the Mt Thirsty Project although the project area is located within the Great Western Woodlands. The MTJV has secure tenure over the project area and there are no known impediments to obtaining a licence to operate in the area.
Exploration done by other parties.	*Acknowledgment and appraisal of exploration by other parties.*	The Mt Thirsty area was explored for nickel sulphide mineralisation in the late sixties and early seventies by Anaconda, Union Miniere, CRA, WMC/CNGC and others. Although no significant sulphide discoveries were made during that time, limonitic nickel/cobalt mineralisation was encountered but not followed up. In the 1990's Resolute-Samantha discovered high grade cobalt mineralisation in the oxidised profile above an orthocumulate peridotite. This oxide mineralisation is the subject of this announcement.
Geology.	*Deposit type, geological setting and style of mineralisation.*	The Mt Thirsty Co-Ni-Mn oxide mineralisation has developed as a result of weathering of ultramafic (peridotite) rocks located at the southern end of the Archaean Norseman - Wiluna greenstone belt. Most of the Co and some of the Ni mineralisation is associated with manganese oxides which have formed in the weathering profile.

Drill hole information.	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* *Easting and northing of the drill hole collar* *Elevation or RL (Reduced Level-elevation above sea level in metres) of the drill hole collar* *Dip and azimuth of the hole* *Down hole length and interception depth* *Hole length*	Included in table in body of report
Data aggregation methods.	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg. cutting of high grades) and cut-off grades are usually material and should be stated.* *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	All samples are of the same length hence weighting by length was mostly not required. Due to the nature of the mineralisation no cutting of high grades is required. 0.06% Co has been used as a cut off grade. All holes were sampled in 1m intervals and hence all samples are of the same length. No metal equivalent values have been calculated or reported.
Relationship between mineralisation widths and intercept lengths.	*These relationships are particularly important in the reporting of Exploration Results.* *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* *If it is not known and only the down-hole lengths are reported, there should be a clear statement to this effect (eg. 'downhole length, true width not known').*	As the mineralised envelope is generally flat lying and all holes were drilled vertically; down hole width is considered to be true width.
Diagrams.	*Where possible, maps and sections (with scales) and tabulations of intercepts should be included for any material discovery being reported if such diagrams significantly clarify the report.*	Not relevant
Balanced reporting.	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	Not relevant

Other substantive exploration data.	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples - size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	A number of bulk samples have been collected and extensive metallurgical testwork has been completed which have been the subject of previous announcements. There are no potential deleterious or contaminating substances.
Further work.	*The nature and scale of planned further work (eg. tests for lateral extensions or depth extensions or large-scale step-out drilling).* *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	The limits of the resource are almost fully defined and no further drilling for extensions is planned at this stage.

+Rule 5.5

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

Conico Ltd

ABN	**Quarter ended ("current quarter")**
49 119 057 457	31 December 2016

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(11)	(14)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	-	-
	(e) administration and corporate costs	(27)	(61)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	2
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)		
1.9	**Net cash from / (used in) operating activities**	**(37)**	**(73)**

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

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
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	**Net cash from / (used in) investing activities**	**-**	**-**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options		15
3.4	Transaction costs related to issues of shares, convertible notes or options	(3)	(9)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**(3)**	**6**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	371	398
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(37)	(73)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(3)	6
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**331**	**331**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	331	371
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**331**	**371**

6.	**Payments to directors of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to these parties included in item 1.2	1
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

Legal Fees were paid during the quarter to a legal partnership of which Mr GH Solomon and Mr DH Solomon are partners.

7.	**Payments to related entities of the entity and their associates**	**Current quarter $A'000**
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

8.	**Financing facilities available** *Add notes as necessary for an understanding of the position*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

-

9.	Estimated cash outflows for next quarter	$A'000
9.1	Exploration and evaluation	40
9.2	Development	-
9.3	Production	-
9.4	Staff costs	-
9.5	Administration and corporate costs	20
9.6	Other (provide details if material)	-
9.7	**Total estimated cash outflows**	**60**

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

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Sign here:  Date: 18 January 2017

Company secretary

Print name: Aaron Gates

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.