



A.C.N. 004 247 214

Lakes Oil N.L.

**ASX
Announcement
and Media
Release
31 July 2017**

Quarterly Activities Report

For the three months ended
30 June 2017

Highlights:

- The Company's legal proceedings against the Victorian Government are continuing.

On 2 May 2017 the Victorian Government filed an application to have the Company's legal proceedings summarily dismissed on the grounds that the Fracking Ban Act prevents the proceedings from being successful. However, following filing by the Company of an amended statement of claim to deal with the Fracking Ban Act (which was not in place when the legal proceedings were initiated), the Victorian Government withdrew its application for dismissal.

On 21 July 2017 the Victorian Government filed its Defence. While the defence is presently undergoing review, it appears to concede that the Company's interpretation of the Fracking Ban Act is correct.

The next formal stage of the legal proceedings is a Directions Hearing scheduled for 11 August 2017.

- The acquisition of Mingoola Gold Pty Ltd, from Dark Horse Resources Limited for consideration of \$1, was completed on 1 May 2017.
- On 5 June 2017 408,165,120 fully paid ordinary shares, together with 408,165,120 attaching performance rights, were issued to DGR Global Limited pursuant to its \$1,500,000 underwriting of the Company's March 2017 capital raising. DGR Global paid \$816,330.24 (before costs) for the above securities pursuant to that underwriting commitment.
- The Company has identified a number of compelling exploration opportunities within ATP 1183 (Queensland). Opportunities for funding a near-term, two-well exploration campaign, focussed on the Wellesley Dome and Emu Apple North prospects, are being investigated. Given the proximity of ATP 1183 to existing oil and gas production infrastructure, any discoveries within the permit area can be brought on line quickly to provide cashflow to support ongoing Company operations.

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CORPORATE ACTIVITIES:

Victorian Onshore Exploration Ban

- The Victorian Government's unprecedented and unsubstantiated ban on all onshore petroleum exploration activity remains in place. The *Resources Legislation (Fracking Ban) Act 2017*, which came into force in March 2017, seeks to empower Government to enforce the ban and avoid liability for any consequent damages.
- The Fracking Ban Act incorporates a provision affording exploration permit holders a six month period during which they may (at their election) surrender a permit(s) in exchange for payment of an amount determined by the Minister for Resources by Order published in the Government Gazette. No Order has yet been published.

Legal Proceedings

- The Company's legal proceedings against the Victorian Government are continuing. The proceedings, launched to protect the interests of the Company and its 11,000+ long-standing shareholders, initially involved:
 - an application (filed on 27 October 2016) for Judicial Review of the Victorian Minister for Resources' decisions to refuse to consider or accept applications to conduct petroleum exploration operations; and
 - civil proceedings (launched in the Supreme Court of Victoria on 6 December 2016) asserting that the actions of the Victorian Minister for Resources, in depriving the Company of its opportunity to use its exploration permits ('grants') constitutes a derogation from those grants. Damages were sought for the losses suffered by the Company as a result of the Minister's conduct.
- By way of an Amended Statement of Claim, filed in the Supreme Court of Victoria on 27 February 2017, the Judicial Review and civil proceedings, as described above, were combined into one proceeding.
- On 2 May 2017 the Victorian Government filed an application to have the Company's legal proceedings summarily dismissed on the grounds that the Fracking Ban Act (referred to above) prevents the proceedings from being successful.
- On 14 June 2017 the Company amended its statement of claim to recognise the existence of the Fracking Ban Act (which was not in place when the proceedings were initiated). The Company's amended claim asserts that the Fracking Ban Act does not empower Government to refuse to allow exploration companies to fulfil obligations and commitments under exploration permits or retention leases. Rather, the Fracking Ban Act specifically provides that existing obligations and commitments are not subject to the moratorium.
- Following agreement between the Company and the Victorian Government, by Order ratified on 13 July 2017 the Victorian Government withdrew its application to have the Company's legal proceeding summarily dismissed and agreed to file its Defence by 21 July 2017. This arrangement meant that a Directions Hearing, otherwise scheduled for 17 July 2017, was not required and was adjourned until 11 August 2017.
- On 21 July 2017 the Victorian Government filed its Defence. While the Defence is presently being reviewed by the Company's solicitors, it appears to concede that the Company's interpretation of the Fracking Ban Act is correct.
- Lakes Oil's discussions with parties ('litigation funders') regarding potential provision of funding for the Company's legal proceedings are continuing.

Mingoola Gold Acquisition

- The Company's purchase of Mingoola Gold Pty Ltd ('Mingoola') from Dark Horse Resources Limited was completed on 1 May 2017. Consideration for the acquisition was \$1.
- Mingoola holds five South Australian mineral exploration tenements that overlap parts of Lakes Oil's South Australian petroleum exploration licence applications. Information from mineral exploration activities may be of material value in assessing the potential of the overlapping petroleum exploration acreage, which are held by the Lakes Oil's wholly owned subsidiary, Navgas Pty Ltd.
- There are exploration commitments in place in respect of Mingoola's mineral exploration tenements. To the extent that fulfilment of these commitments is not possible, it is anticipated the tenements will be selectively relinquished.
- Following completion of the acquisition of Mingoola, the Company will undertake desktop studies to ascertain which of the tenements offer the best prospects for exploration success in order to prioritise exploration expenditure.

Other Corporate Initiatives

- On 5 June 2017 the Company issued 408,165,120 fully paid ordinary shares, together with 408,165,120 attaching performance rights, to DGR Global Limited pursuant to its \$1,500,000 underwriting of the Company's March 2017 capital raising. DGR Global paid \$816,330.24 (before costs) for the above securities pursuant to that underwriting commitment.
- The Chief Executive Officer's interim contract of employment expired on 7 June 2017. A new contractual arrangement was entered into pursuant to which the Chief Executive Officer is employed on a contract basis at a rate of \$6,500 per month, plus \$230 for each hour worked in excess of 40 hours per month. This arrangement assists with control of costs while the Company is unable to undertake exploration within Victoria, but is active with litigation and with exploration in Queensland and South Australia.
- The Company's current Board are cognisant of the current cash balances and the funding requirements to meet ongoing working capital of the Company. At the end of the June 2017 quarter the Company held consolidated cash balances of \$593,000 as reported in the Appendix 5B, accompanying this report. The Directors are working towards securing short term funding for working capital requirements and/or equity raisings to raise sufficient cash to fund its ongoing activities. The Directors note that the Company is an exploration Company and as such does not have a stable source of income. The Company expects to have negative operating cash flows in future quarters due to its status as a mineral explorer and therefore the Company will be reliant upon the continued support of the investment community together with its major shareholders whilst in this exploration phase.

EXPLORATION ACTIVITIES

Onshore Victoria

PEPs 163, 167 and 175, Otway Basin (Lakes Oil: Operator, 100% interest)

PEP 169, Otway Basin (Lakes Oil: Operator, 49% interest)

PRL 2, Gippsland Basin (Lakes Oil: Operator, varying interest across permit - subject to reserved rights)

PRL 3, Gippsland Basin (Lakes Oil operator, 100% interest)

PEP 166, Gippsland Basin (Lakes Oil: Operator; 75% interest)

- In view of the Victorian Government's onshore exploration ban there was no new exploration activity within Victoria during the current Quarter

Near-shore Victoria (Gippsland Basin)

VIC/P43(V) and VIC/P44(V) (Lakes Oil: Operator, 100% interest)

- For cost efficiency reasons it is desirable that work within these permit areas be coordinated with onshore activity.
- In view of the Victorian Government's onshore exploration ban there was no new exploration activity within Victoria during the current Quarter.

Queensland, Eromanga Basin

ATPs 642P and 662P (Lakes Oil: Operator, 100% interest)

- Lakes Oil is seeking a joint venture partner for pursuit of its western Queensland opportunities.

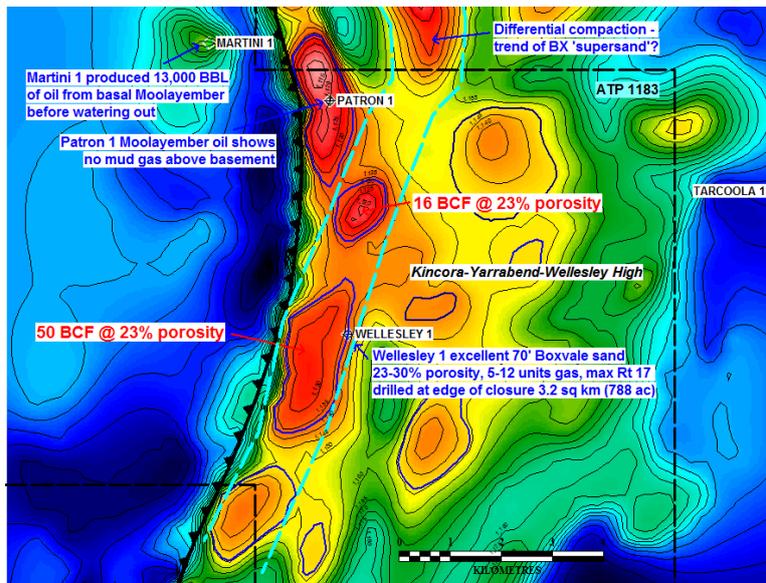
Queensland, Roma Shelf Project

ATP 1183 (Lakes Oil: Operator, 100% interest)

- ATP 1183 is highly prospective for oil, gas and condensate discoveries, and is within close proximity of established production facilities and infrastructure. The tenement area itself surrounds the Riverslea Oil Field and Major Gas/Condensate Field.
- Since acquiring ATP 1183 the Company has undertaken extensive review of exploration prospects within the permit area. A number of compelling opportunities have been assessed in detail and the Company is now investigating arrangements for funding a near-term, two-well exploration campaign. Given the proximity of ATP 1183 to existing oil and gas production infrastructure, any discoveries within the permit area can be brought on line quickly to provide cashflow to support ongoing Company operations.
- The key exploration prospects that the Company proposes to drill are:
 - Wellesley Dome

The Wellesley Dome is a fault bound, three way dip closure approximately 4.4km² in area, lying on the Kincora-Yarrabend-Wellesley High to the south of the productive Kincora Gas Field.

Figure 1 – Wellesley Dome



A well (Wellesley-1) drilled by BHP in 1979 intersected in excess of 20 metres of thick clean Boxvale Sand. Although the well had fair gas shows and good porosity (average 28%) it was at the time not considered to be of commercial interest. Apart from the Wellesley-1 well, the extensive Wellesley Dome prospect is underexplored. With modern production techniques and at prevailing gas prices, the Company considers the Wellesley Dome to be a compelling exploration opportunity.

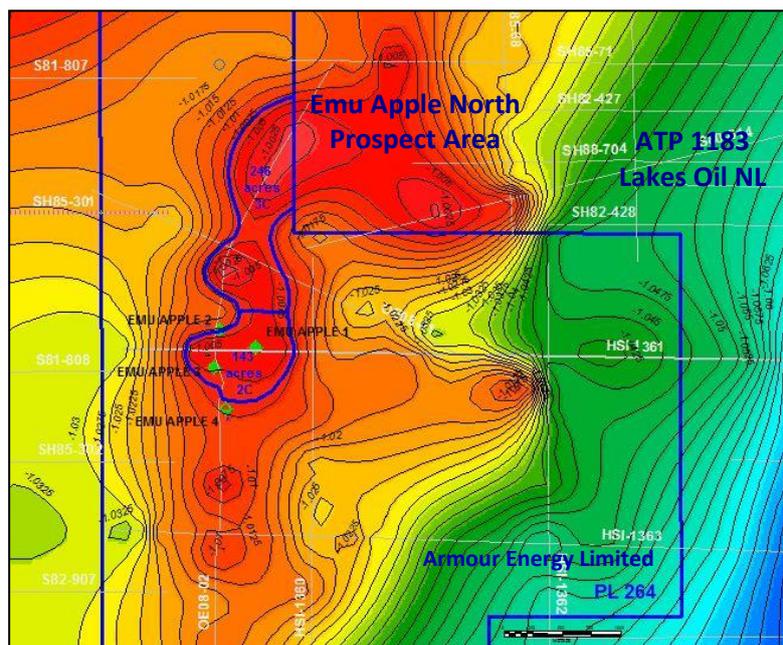
The Company proposes to drill an exploration well approximately 880 metres southwest of Wellesley-1 to a depth of around 1,650 metres.

The Wellesley Dome has a prospective gas resource of 41 BCF (*This is a best estimate prepared on a deterministic basis. It is sourced from page 17 of "Independent Specialist Report on the petroleum assets of Navgas Pty Ltd and Lakes Oil NL", SRK Consulting (Australasia) Pty Ltd, made public in December 2016. The Company is not aware of any new information or data that materially affects the information included in the relevant market announcement and confirms that all the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons).*

- Emu Apple North

The Emu Apple North prospect comprises the northern extension of the Emu Apple oilfield, an oilfield recently brought back into commercial production by Armour Energy Limited.

Figure 2: Emu Apple North Prospect



The prospect is a broad, low relief, anticlinal structure separated by a small saddle from the main Emu Apple Field. The entire Emu Apple area has been charged with hydrocarbons from Permian source rocks to the southeast.

The Hutton Sandstone and Boxville Sands, both of which are productive in the Emu Apple-3 well, are the main reservoir targets. The reservoir units will be intersected at shallow depths, between approximately 1350 and 1430 metres, which means drilling the Emu Apple North prospect will be low cost. The Company's proposed well location is readily accessible by existing road infrastructure and is close to Armour's Emu Apple production facilities (meaning any discovery can be quickly developed).

The Emu Apple North prospect covers an area of approximately 382 acres and is estimated to hold up to 3.4 million barrels of oil. *(This is a best estimate prepared on a deterministic basis. It is sourced from page 17 of "Independent Specialist Report on the petroleum assets of Navgas Pty Ltd and Lakes Oil NL", SRK Consulting (Australasia) Pty Ltd, made public in December 2016. The Company is not aware of any new information or data that materially affects the information included in the relevant market announcement and confirms that all the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons)* Initial oil production rates from existing Emu Apple wells were around 100 barrels per day, with Armour Energy's Emu Apple-3 well currently producing around 40 barrels per day.

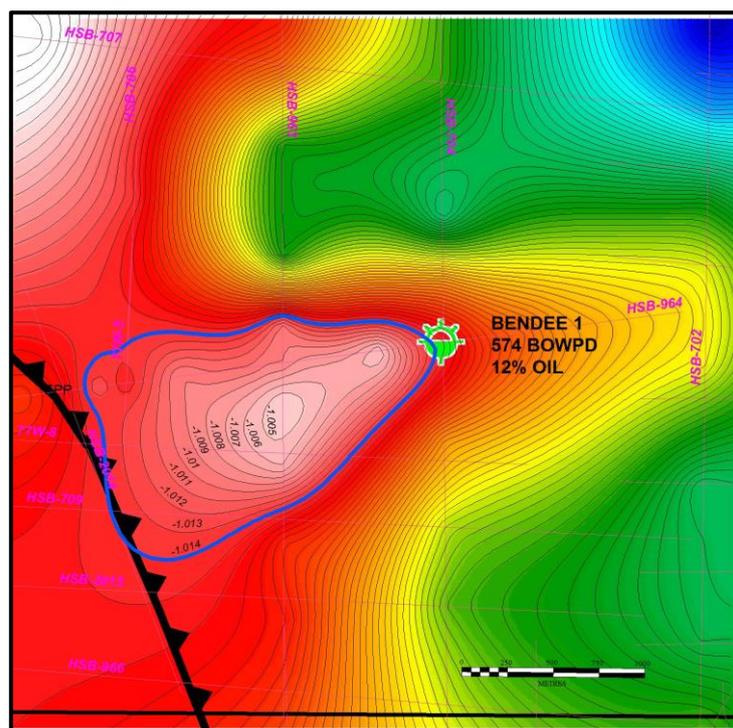
In addition to the prospects outlined above, the Company has also identified the following exploration opportunities:

- Bendee Prospect

The Bendee Prospect is a four-way dip closure located just to the west of the producing Thomby Creek Oil Field. An historic (Bendee-1) well flowed oil and water to surface, demonstrating that the structure contains oil. However, using currently available data the Company has identified that the Bendee-1 well was drilled on the edge of closure, at the level of oil-water contact. Considerable up-dip potential exists.

The Bendee Prospect covers an area of approximately 2 square kilometres and could contain approximately 1 million barrels of oil. *(This is a best estimate prepared on a deterministic basis. It is sourced from page 17 of "Independent Specialist Report on the petroleum assets of Navgas Pty Ltd and Lakes Oil NL", SRK Consulting (Australasia) Pty Ltd, made public in December 2016. The Company is not aware of any new information or data that materially affects the information included in the relevant market announcement and confirms that all the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons)*

Figure 3: Bendee Prospect

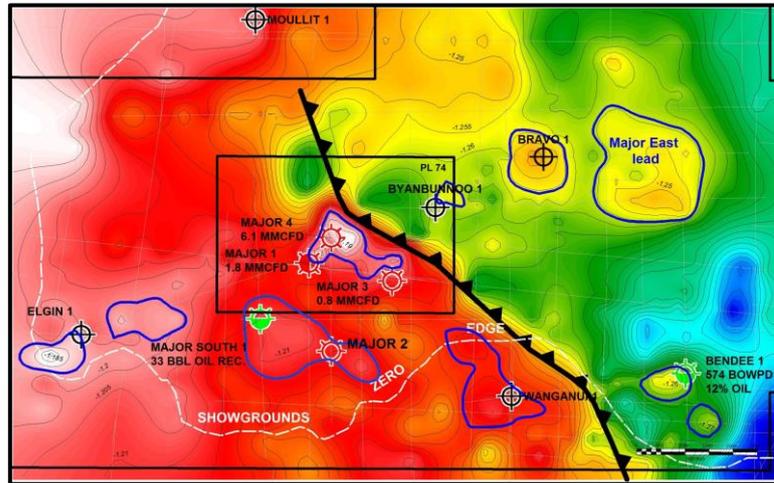


- Major East Lead

The Major East Lead is four way dip closure approximately 5km² in area, located to the east of the producing Major Gas Field.

The Major East Lead has a prospective gas resource of 13.8 BCF *(This is a best estimate, determined by Mr Peter Bubendorfer, Exploration Adviser to Navgas Pty Ltd, who is an AAPG member, qualified in accordance with the requirements of ASX Listing Rule 5.42, and who has consented to the use of the estimate in the form and context in which it appears in this report. The estimate was finalised on 3 February 2015 and was published on the ASX Announcements Platform by the Navgas Pty Ltd then owner Dark Horse Resources Limited (known at that time as Navaho Gold Limited). The Company is not aware of any new information or data that materially affects the information included in the relevant market announcement and confirms that all the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons).*

Figure 4: Major East Lead

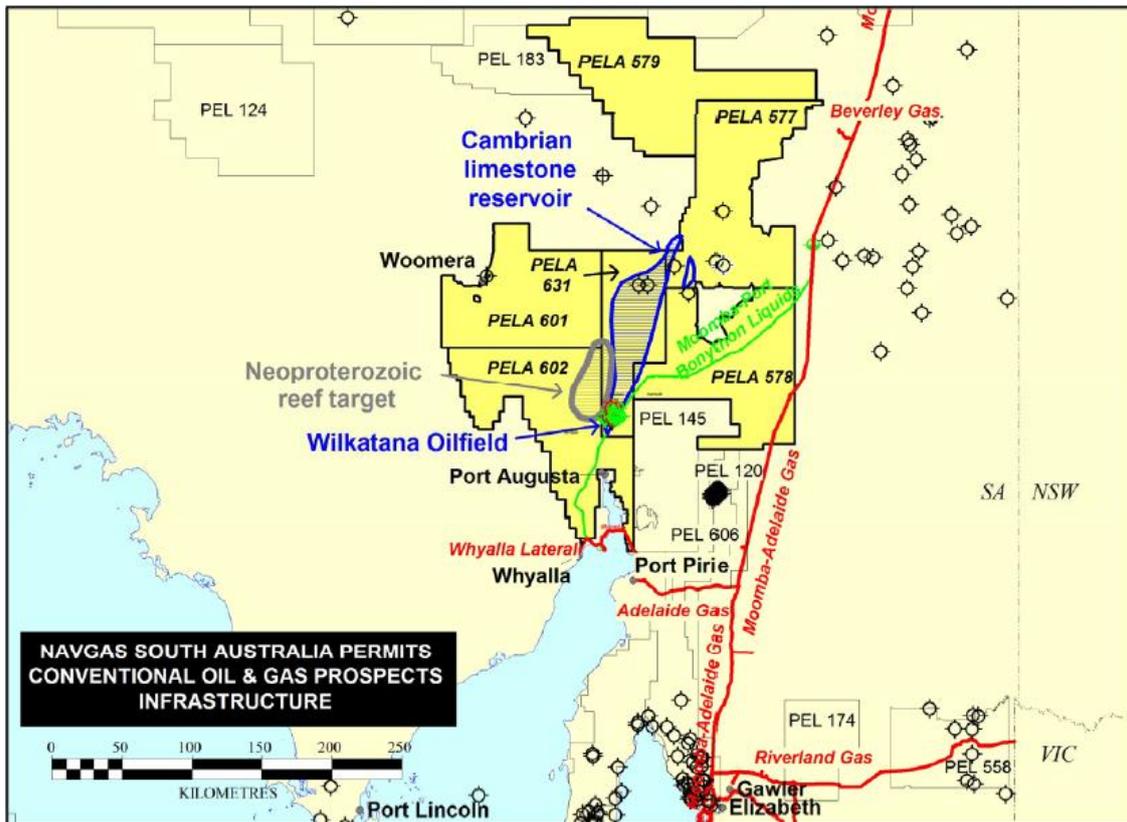


South Australia, Pirie Torrens Oil & Gas Project

PELAs (Lakes Oil: Operator, 100% interest)

- The Pirie Torrens Oil and Gas Project incorporates six Petroleum Exploration Licence Applications (PELAs) located in South Australia and covering approximately 53,000km² as outlined in Figure 5. Petroleum exploration activities in the general area first commenced in 1956, when Santos was established to drill for oil at Wilkatana. This work, and subsequent drilling by other companies, historically confirmed the presence of oil and gas across the area of interest.
- Lakes Oil proposes to review and reprocess historic data, including more recent seismic information gathered by Geoscience Australia, and to investigate potential for drilling of a stratigraphic corehole to further geological knowledge of the basin.
- Of particular near-term interest to the Company are:
 - the potential for oil production to the north of Wilkatana (in an area of closure, associated with the Torrens Hinge Zone, that can be identified on modern seismic data but which has not yet been drilled); and
 - the potential for production of gas from the Tindelpina Shale, which has been demonstrated to contain gas but has not been explored using modern techniques.

Figure 5: South Australian Licence Application Areas



Eagle Prospect, Onshore California, USA

(Lakes Oil: 17.97% interest. Operator: Strata-X Inc.)

- The Eagle Prospect contains the Mary Bellochi-1 well, which was drilled in 1986 by Lakes and its joint venture partners, and flowed oil to surface for several weeks before withering out. Indications at the time were that failure of the well was the result of a mechanical problem, rather than oil ceasing to be present.
- The Company is seeking to dispose of its Eagle Prospect interest.

Victorian Coal Exploration Leases

ELs 5333, 5334 and 5394 (Commonwealth Mining Pty Ltd, 100%)

- Commonwealth Mining Pty Ltd is a wholly owned subsidiary of Lakes Oil NL.
- No exploration activities were undertaken during the Quarter.
- These permits have now been relinquished.

Roland Sleeman
Chief Executive Officer

Lakes Oil NL Tenement holding summary

Below is a listing of the tenements held by Lakes Oil NL as at the date of this report.

Joint operation or Permit name	Location (basin name)	Interest owned %	Interest acquired/farmin during the quarter	Interest disposed/farmout during the quarter
PEP 163	Otway	100.00	-	-
PEP 167	Otway	100.00	-	-
PEP 169	Otway	49.00	-	-
PEP 175	Otway	100.00	-	-
PRL 2-Overall Permit	Gippsland	100.00	-	-
PRL 2 - Trifon Field	Gippsland	57.50	-	-
PRL 3	Gippsland	100.00	-	-
PEP 166	Gippsland	75.00	-	-
VIC/P43(V)	Gippsland	100.00	-	-
VIC/P44(V)	Gippsland	100.00	-	-
ATP 642P	Eromanga/Cooper E	100.00	-	-
ATP 662P	Eromanga/Cooper E	100.00	-	-
ATP 1183	Surat/Bowen	100.00	-	-
Eagle Prospect	California USA	17.96	-	-
PELA 577*	Pirie Torrens, SA	100.00	100.00	-
PELA 578*	Pirie Torrens, SA	100.00	100.00	-
PELA 579*	Pirie Torrens, SA	100.00	100.00	-
PELA 601*	Pirie Torrens, SA	100.00	100.00	-
PELA 602*	Pirie Torrens, SA	100.00	100.00	-
PELA 631*	Pirie Torrens, SA	100.00	100.00	-
EL 5690	Pirie Torrens, SA	100.00	100.00	-
EL 5693	Pirie Torrens, SA	100.00	100.00	-
EL 5694	Pirie Torrens, SA	100.00	100.00	-
EL 5695	Pirie Torrens, SA	100.00	100.00	-
EL 5700	Pirie Torrens, SA	100.00	100.00	-

*Tenements in application phase only, remain subject to government approvals.

Directors

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Prof Ian R. Plimer B.Sc (Hons), PhD
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CFO/Company Secretary

Melanie Leydin CA

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Roland Sleeman B.Eng (Mech), MBA, MAICD

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Lakes Oil NL is a no-liability company incorporated in Australia. Unless otherwise stated references to 'Lakes Oil' or "the company" or "the Group" refer to Lakes Oil NL and its controlled entities as a whole. Lakes Oil operates a web site which Directors encourage you to access for the most recent company information.

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

LAKES OIL NL

ABN

62 004 247 214

Quarter ended ("current quarter")

30 JUNE 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 month's) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	5	19
1.2 Payments for		
(a) exploration & evaluation	(24)	(258)
(b) development	-	-
(c) production	-	-
(d) staff costs	(268)	(795)
(e) administration and corporate costs	(203)	(1,588)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	4
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	(489)	(2,618)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	(400)
(d) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 month's) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	750
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (proceeds from trustee investment)	22	22
2.6	Net cash from / (used in) investing activities	22	372
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	817	1,501
3.2	Proceeds from issue of convertible notes	-	1,375
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(216)	(399)
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 (interest on borrowings)	(31)	(400)
3.10	Net cash from / (used in) financing activities	570	2,077
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	490	762
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(489)	(2,618)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	22	372
4.4	Net cash from / (used in) financing activities (item 3.10 above)	570	2,077
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	593	593

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	483	380
5.2 Call deposits	110	110
5.3 Bank overdrafts	-	-
5.4 Other (funds held on trust)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	593	490

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	30
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	

Director's fees and superannuation paid during the June 2017 quarter.

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	

Nil

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	1,000	1,000
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.		

On 5 April 2016, Lakes Oil NL fully owned subsidiary drew down a \$1,000,000 loan secured by a mortgage over land that it owns. The company negotiated an extension of the mortgage noted above, the loan is now repayable during January 2018.

Mining exploration entity and oil and gas exploration entity quarterly report

9. Estimated cash outflows for next quarter		\$A'000
9.1	Exploration and evaluation	30
9.2	Development	-
9.3	Production	-
9.4	Staff costs	130
9.5	Administration and corporate costs	330
9.6	Other (provide details if material)	-
9.7	Total estimated cash outflows	490

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	<u>SA Tenements</u> EL 5700 EL 5695 EL 5690 EL 5694 EL 5693	All acquired through the acquisition of Mingoola Gold Pty Ltd.	- - - - -	100% 100% 100% 100% 100%

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: 31 JULY 2017

Company Secretary

Print name:

MELANIE LEYDIN

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.