

ASX ANNOUNCEMENT

11 OCTOBER 2017

SEPTEMBER 2017 QUARTERLY ACTIVITIES REPORT**Bramaderos Gold-Copper Project, Ecuador (Sunstone earning up to 80%)**

- **Rock chip sampling, as part of a project wide review, returned positive results from several prospects within the Bramaderos Project area:**
 - 4.4 g/t gold from the West Zone epithermal gold prospect
 - 1.2 g/t gold and 0.40% copper from Limon gold-copper porphyry prospect
- **As follow-up, the first five trenches completed at the West Zone epithermal gold prospect were received with highly encouraging results including;**
 - 22m at 4.8g/t Au (including 7m at 12.7g/t Au)
 - 9m at 1.9g/t Au, and
 - 12m at 1.6g/t Au
- **Soil sampling at West Zone suggests that the mineralised system is larger than the immediate area of trenching, and further trenching has been completed, with results due in October. Exploration results to date further highlight the potential for the discovery of large gold-copper porphyry and epithermal gold systems within the Bramaderos Project**
- **Drilling permits are expected to be received by the end of this calendar year, Sunstone aims to start drilling at its gold-copper porphyry targets, Bramaderos Main and Limon, and at the West Zone epithermal gold target, once permits are received**

Viscaria Copper Project, Sweden (Sunstone - 100%)

- **The Viscaria Copper Project represents a low risk copper development opportunity that will add significant shareholder value within an increasing copper price environment. Options for advancing to a pre-feasibility study stage at Viscaria are being considered**
- **Reviews of the 2017 drilling, and historical drill holes from south of D Zone has strengthened the prospectivity of the 4km long D Zone South target**

Gold Portfolio, Scandinavia (Sunstone earning 80%; & 100% owned tenure)

- **Following the very positive results from an Induced Polarisation geophysical survey at Satulinmäki, drill targets have been identified on multiple structural corridors up to 1.2km long, and with significant vertical extent. Additional geological mapping and rock chip sampling is underway to support further definition of drill targets**

Corporate Highlights

- **Change of Company name to Sunstone Metals Ltd, reflecting the move into Ecuador, and the highly prospective nature of the Bramaderos Project for the potential discovery of porphyry-related gold-copper and epithermal gold systems**
- **Successful Placement and SPP raising \$3.3 million before costs; A\$2.2 million in cash at 30 September 2017**
- **New non-executive director, Mr Stephen Stroud, appointed**

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EXPLORATION AND DEVELOPMENT ACTIVITIES

Bramaderos Gold-Copper Project

On 10 April 2017, Sunstone announced the signing of a binding agreement with Cornerstone Capital Resources Inc. (“Cornerstone”) (TSXV-CGP) through its subsidiary La Plata Minerales S.A. (“PLAMIN”), whereby Sunstone will have the right to earn a majority interest in the 4,949 hectare “Bramaderos” concession subject to satisfaction of certain conditions. The Bramaderos concession is located in southern Ecuador, with easy access provided by the sealed Pan American Highway that crosses the western part of the concession (Figure 1).

The Sunstone team has worked previously with Cornerstone on other projects in Ecuador which have led to significant discoveries and shareholder value growth, and the Sunstone team will work towards repeating that success at Bramaderos.

Historical drilling results at Bramaderos include wide intervals such as 260m at 0.6g/t Au and 0.14% Cu. Historical trenching results at the West Zone breccia include intersections at surface of up to 42m at 3.7g/t Au.

Previous rock chip sampling in the Limon area has returned up to 1.8% Cu and 1.45g/t Au in rock chip samples, and paired samples of 1.24g/t Au and 0.23% Cu, and 1.45g/t Au and 0.45% Cu. Historic soil sampling has defined areas of coincident Cu, Au, and Mo anomalies over an area of approximately 1.4km x 0.5km.

The initial field program undertaken in May and June 2017 was aimed at further defining and prioritising the exploration program. Thirteen surface rock chip samples were collected across multiple prospects within the property. Assay results from these samples were released to the ASX on July 18 and included:

- **4.4 g/t gold (and 6.85 g/t silver) from the West Zone prospect**
- **1.2 g/t gold and 0.40% copper from Limon prospect**

At the West Zone epithermal gold prospect results from the first five trenches, of a planned multiple-trench program, were released to the ASX on September 25 and included:

- **22m at 4.8g/t Au (including 7m at 12.7g/t Au)**
- **9m at 1.9g/t Au, and**
- **12m at 1.6g/t Au**

The five trenches are located within an area of 100 x 100m, and occur within the larger 700m x 400m West Zone gold-in-soil anomaly. The trenches, which were no more than 1.2m deep, are sampling basement rock units in a continuous and systematic fashion. Figures 2 & 3 show the locations of the trenches.

The surface trench results are significant as they follow a partially outcropping epithermal system which then continues under cover (colluvium on the slopes of hills). The trench data, soil data, surface mapping, and a planned detailed heli-magnetic geophysical survey to be conducted in November will provide all required datasets for drill targeting.

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The West Zone prospect has not seen any drilling by previous explorers and so will be targeted with drilling once permits are received.

The presence of epithermal gold mineralisation adjacent to larger porphyry gold-copper systems is consistent with what we would expect to see in this geological environment and these encouraging results strongly support our 'bigger picture' plans and expectations for discovery at Bramaderos.

At Bramaderos Main detailed geological mapping and rock chip sampling is well advanced and assay results have been received for many rock chip samples (Figures 4 & 5). Trench sampling and soil sampling is also underway.

The copper rock chip results show the most coherent distribution and anomalous results cluster in an area along the inside curve of an historical Induced Polarisation (IP) chargeability anomaly, consistent with the expected distribution within a porphyry gold-copper system. Gold in surface rock-chip samples is >0.4 g/t over a strike length of greater than 500m at surface in the main recognised mineralised zone. Molybdenum broadly re-enforces the copper and gold patterns.

At the greater Limon Prospect, soil sampling is complete and assays are in progress. Full results are expected to be released during October.

Drill Permitting

The drilling permit requires a community consultation process of the drilling program with local communities, authorities, and landowner groups. This process is part of the Environmental Impact Assessment (EIA) and will take place once the technical part of the EIA has been approved by the Ministry of Environment (ME). It is expected that the EIA document will be submitted to ME during October and the permit for drilling is expected in December. The permit, when received will allow drilling activities to take place across the entire project area.

A water permit application for industrial use (drilling) has been submitted to the water agency SENAGUA (Secretaria Nacional del Agua) and technically pre-qualified. Parameters of the corresponding socialisation process and a field inspection date are currently being defined by the agency.

Sunstone's joint venture partner Cornerstone Capital Resources is managing this process and has previously implemented the same procedure at its other exploration properties in Ecuador over the past 10 years.

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Viscaria Copper Project

Exploration Targets and Opportunities

The results of drilling in 2017 demonstrate significant potential strike extent of mineralisation immediately southwest of D Zone, and extends beyond this to the even larger D Zone South target, which has a strike extent of 4km (refer to ASX Announcement dated 26 June 2017).

At D Zone itself, each hole Sunstone has drilled outside of the current D Zone mineral resource, targeting higher grade shoots has delivered >2% copper - a 100% hit rate with 3 from 3 holes, VDD 195, VDD 196 and VDD 200, intersecting >2% copper.

The result from VDD 200, together with newly acquired ground magnetic data, opens-up the highly prospective 4km-long D Zone South horizon (Figure 6). The area was only very shallowly tested by Sunstone (then Avalon Minerals) in 2010 and 2011. Four historical drill holes intersected weak, but encouragingly very pervasive, copper mineralisation in an area towards the southwest end of a 600m-long magnetic anomaly (refer to ASX Announcement dated 26 June 2017).

Modelling of ground magnetic data in 2017 indicated that three of the holes had only tested the very uppermost corners of an 80m-wide magnetic anomaly that broadens substantially at depth where it remains completely untested. The modelling also indicated that the fourth hole drilled parallel to, and only tested the south-east edge of, a 40m-thick and relatively strong magnetic anomaly.

The widespread and consistent copper mineralisation within the poorly tested D Zone South environment is very encouraging and brings this 4km-long anomaly to the top of the exploration priority list for future testing with potential to significantly expand the Viscaria copper project.

Systematic drilling of the >2% copper shoots has been planned and will be undertaken as a component of pre-feasibility studies.

With these encouraging results at D Zone outside of the current mineral resource, and the copper price going from a 52-week low of US\$2.10/lb to a recent 52-week high of US\$3.13/lb, combined with analysts' long-term copper price forecasts in excess of US\$3.25/lb, the scoping study metrics released to the ASX on 5 April 2016 are increasingly positive.

Environmental and Social Impact Assessment (ESIA) and Permitting

The environmental permitting is the primary focus of activities at this stage to further de-risk the project and support ongoing studies.

The Viscaria ESIA process is being progressed, which will deliver the necessary documents for application for a Permit to Mine from the Swedish Land and Environmental Court. The process is focussed on the immediate Viscaria area and supports planning for mine development initially within the approved Exploitation Concessions K3 and K4.

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Gold Portfolio

Tammela Gold Opportunity, Finland (Sunstone earning 80% from Nortec Minerals)

The Nortec earn-in agreement, for which Sunstone has completed the requirements to earn 51%, includes two known gold opportunities, Satulinmäki and Riukka, held within the claim areas. Historical drilling was undertaken by the Finnish Geological Survey (GTK) and only tested to ~70m below surface, delivering results **including 22m @ 3.6 g/t Au from 50 metres** (hole 391) at Satulinmäki.

Sunstone completed a large IP geophysical survey at Satulinmäki during the period January – April 2017. Geophysical mapping of interpreted sericite alteration and distribution of sulphides, both known to be associated with gold mineralisation from drilling, has shown (Figure 8) two main trends –

- The main Satulinmäki gold trend, which had been outlined over a ~300m strike length from drilling, has been extended to 1.2 kilometres by the IP survey; and
- A new northwest trending zone measuring 800m long.

Conductivity results have identified discrete anomalies that coincide with the high-grade intersections delivered by holes such as SMDD007, **23.5m at 3.3g/t Au including 9.2m at 7.3g/t Au** (refer ASX announcement dated 14 November 2016).

Historical data have also now shown additional areas of gold mineralised rock to the southeast where rock chip samples have returned up to 6.5g/t, and to the northwest with rock chip assays up to 4.7g/t gold. Current surface mapping and rock chip sampling is focussed on assessing this larger 3.5km long structural zone.

Additional sampling of previously unsampled historical drill holes (completed by the Finnish Geological Survey during the period 2000-2005) was undertaken during the quarter.

Assay results from the current work programs are expected during November.

Other Gold Opportunities (Sunstone 100%)

Based on Sunstone's regional assessment of gold prospectivity in southern Finland, areas of interest are held under approved Exploration Reservations, and recently applications have been lodged for Exploration Permits covering known gold occurrences. These areas are held 100% by Sunstone and will be explored systematically.

Lithium Portfolio

The Nortec gold and lithium earn-in agreement area, for which Scandian has completed the requirements to earn 51%, includes the Kietyönmäki lithium occurrence which was discovered by the Finnish Geological Survey (GTK) in the mid-1980's. Sunstone's 80% subsidiary Scandian Metals Pty Ltd (Scandian) is earning 80% in the lithium rights. There was no significant activity during the quarter.

Scandian also holds a portfolio of other exploration permits in Scandinavia considered prospective for lithium.

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Tenements

During the quarter, the Huornas Nr 1 and Viscaria Nr 2 tenements in Sweden were allowed to lapse after a technical review downgraded the technical merits of these areas.

Corporate

Cash Resources - The Company's unaudited cash position for 30 September 2017 was A\$2.2 million.

Board Changes

A new non-executive director, Mr Stephen Stroud, was appointed on 6 September 2017, following advice from current Non-Executive Director, Mr Crispin Henderson, of his intention to retire from the Board at the conclusion of the Company's Annual General Meeting in November.

Mr Stroud has a wealth of experience and knowledge in the corporate finance sector with a focus on small/mid cap mining companies will no doubt be invaluable to Sunstone as it advances its projects through discovery and towards development. The board and management of Sunstone thank Mr Henderson for his contribution and dedication to the Company over the past 5 years.

Shareholder Information

As at 30 September 2017, the Company had 855,880,982 fully paid ordinary shares on issue and 864 shareholders.

On 5 July 2017, Sunstone announced that it had received firm commitments to raise approximately \$2.3 million via an over-subscribed share placement, and in addition raised a further \$1 million via a Share Purchase Plan (SPP) which closed on 21 July 2017. Both were priced at 1.4c per share.

Several institutional investors, including the well-regarded micro-cap specialist Acorn Capital (who now hold a 5% shareholding in Sunstone) subscribed to the Placement and Sunstone once again received strong support from its existing major shareholders.

5 million shares were released from voluntary escrow on 24 August 2017.

A General Meeting was held on 4 September 2017 whereby shareholders approved the change of the Company name from Avalon Minerals Ltd to Sunstone Metals Ltd.

9 million performance rights were issued to employees of Sunstone on 7 September 2017, following approval of grant to Managing Director at the General Meeting.

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Notes Specific – September 2017 Quarter ASX Announcements

The following announcements, which relate to information in this Quarterly Report, were lodged with the ASX during the Quarter. Further details (including JORC 2012 Code Reporting Tables, where applicable) for the results summarised above can be found in the announcements:

Bramaderos trenching - up to 22m at 4.8g/t gold	25/09/2017
Change of Director's Interest Notice	7/09/2017
Appendix 3B Performance Rights	7/09/2017
Appendix 4G	7/09/2017
Director Appointment and Appendix 3X	7/09/2017
Annual Report to shareholders	7/09/2017
Change of Company Name	7/09/2017
Results of Meeting	4/09/2017
Presentation at Mining 2017 Resources Convention	30/08/2017
Bramaderos Early Work Delivering Encouraging Results	29/08/2017
Release of Shares from voluntary escrow	4/08/2017
Notice of General Meeting / Proposed Change of Company Name	3/08/2017
SPP Completed and Exploration Update	27/07/2017
Quarterly Activities and Cashflow Report	21/07/2017
Bramaderos Rock Chip Sampling Results Highlight Potential	18/07/2017
Security Purchase Plan	10/07/2017
Avalon Minerals to Complete Placement and SPP	5/07/2017

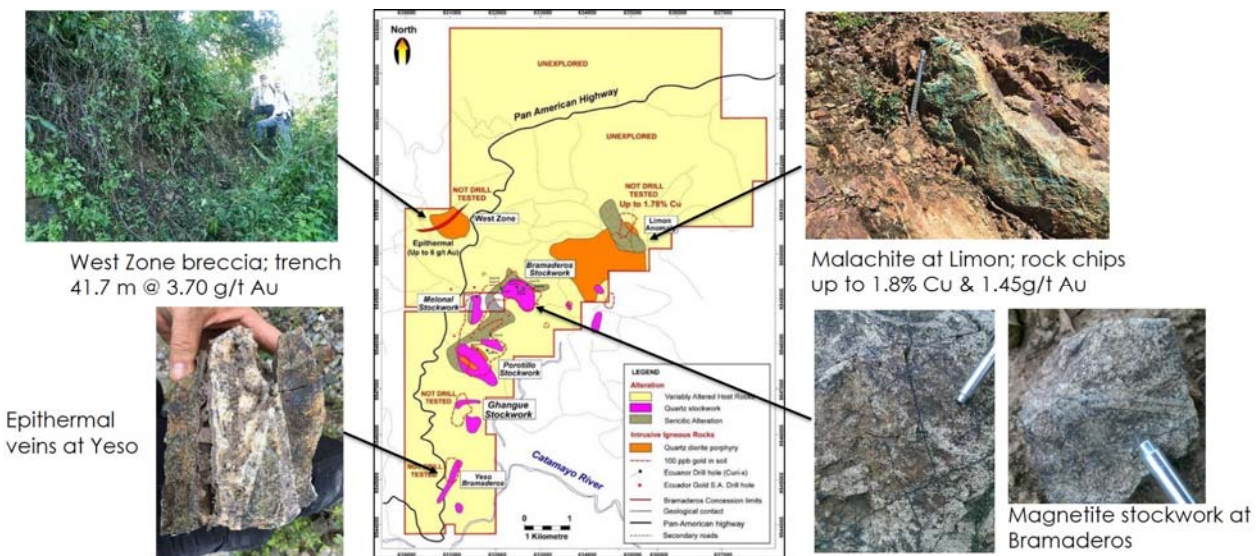


Figure 1: Representative images of veining and mineralisation from some of the mineral prospects on the Bramaderos property, including intense, malachite-bearing, stockwork veining at Limon.

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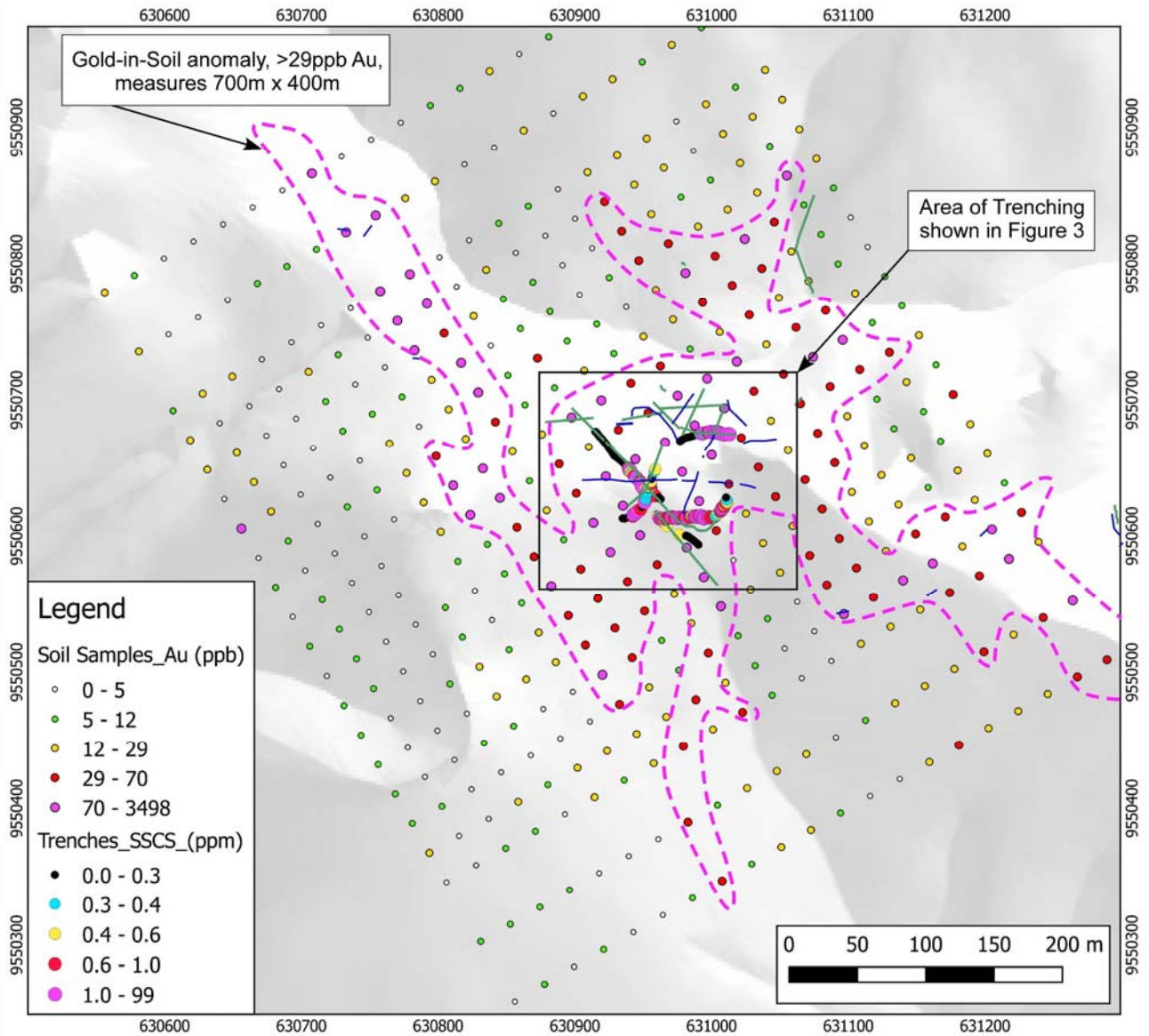


Figure 2: Area of trenching within gold anomalous areas defined by soil sampling (within 700m x 400m gold-in-soil anomaly). Blue lines are new trenches that have been completed and are being sampled or have samples in the laboratory. Green lines are historical trenches. Background is greyscale topography.

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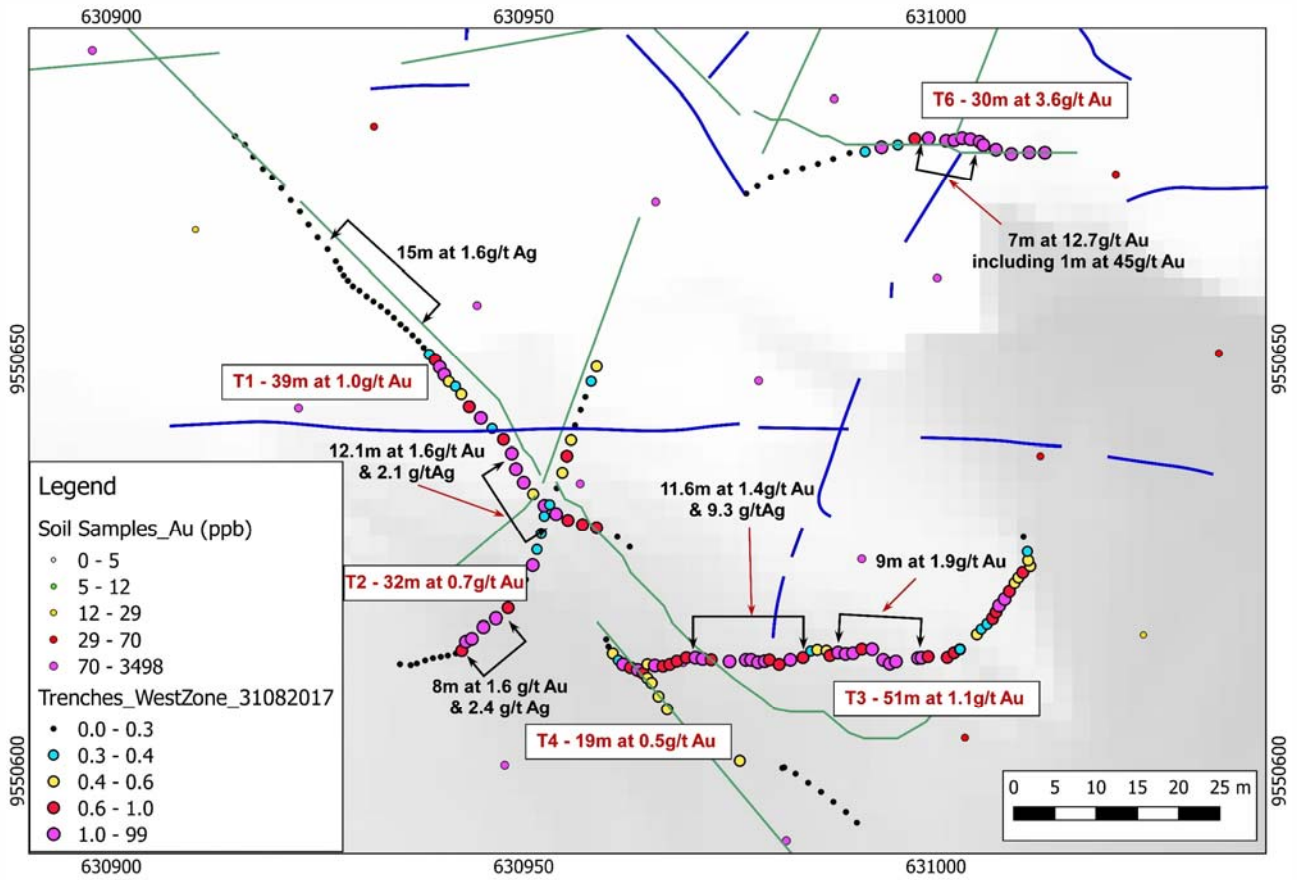


Figure 3: Close-up of trench results and intersections. Blue lines are new trenches that have been with samples in the laboratory. Green lines are historical trenches.

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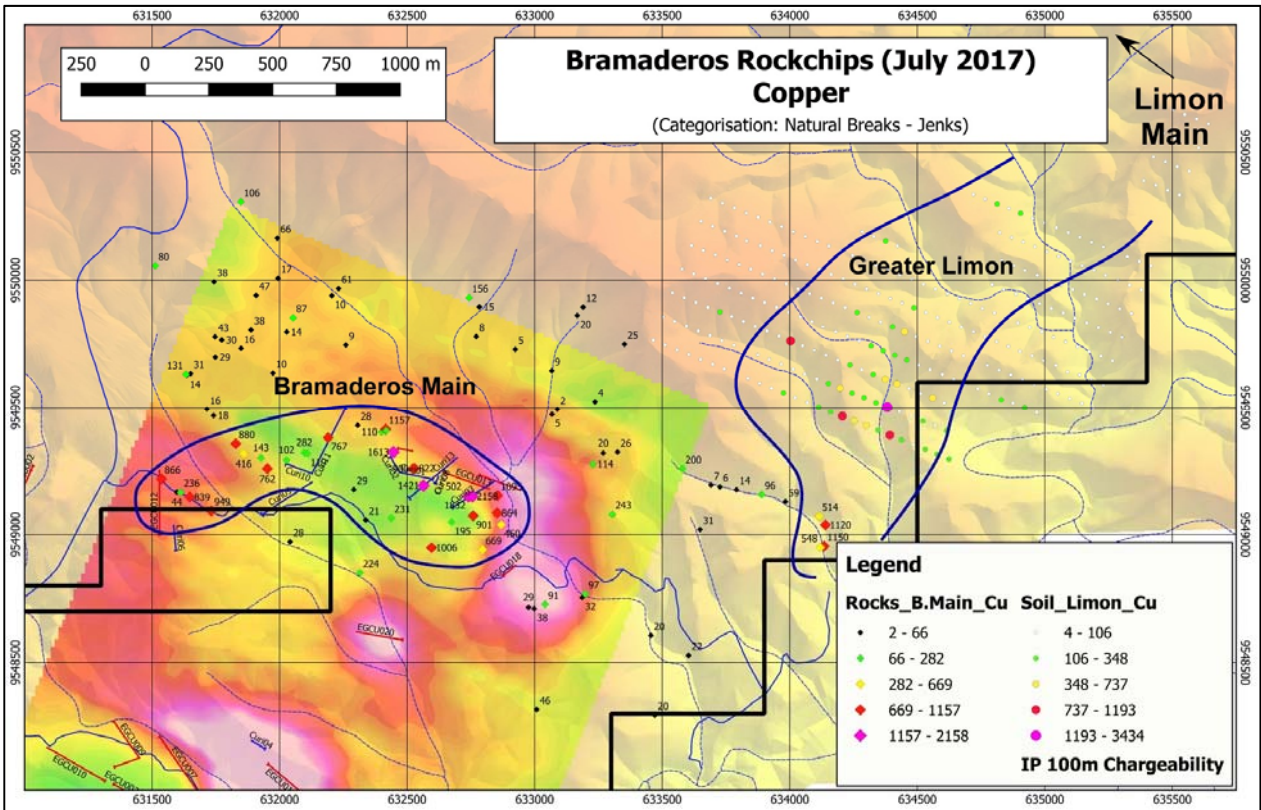


Figure 4: Detailed copper rock chip and soil results to date. Soil sampling at the Main Limon prospect is completed and assay results expected to be finalised in November.

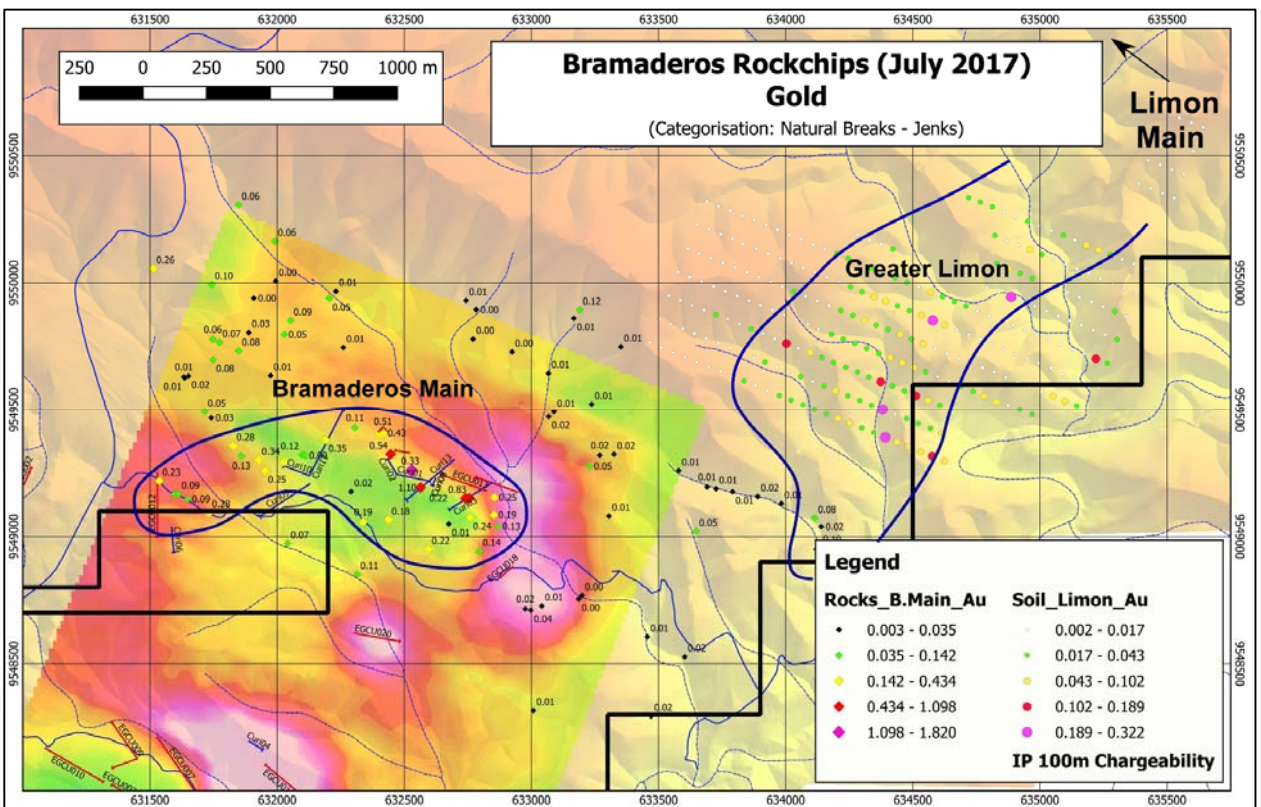


Figure 5: Showing the detailed gold rock chip and soil results to date. Background image is elevation with an overlay of the historic IP results – pink areas have high chargeability.

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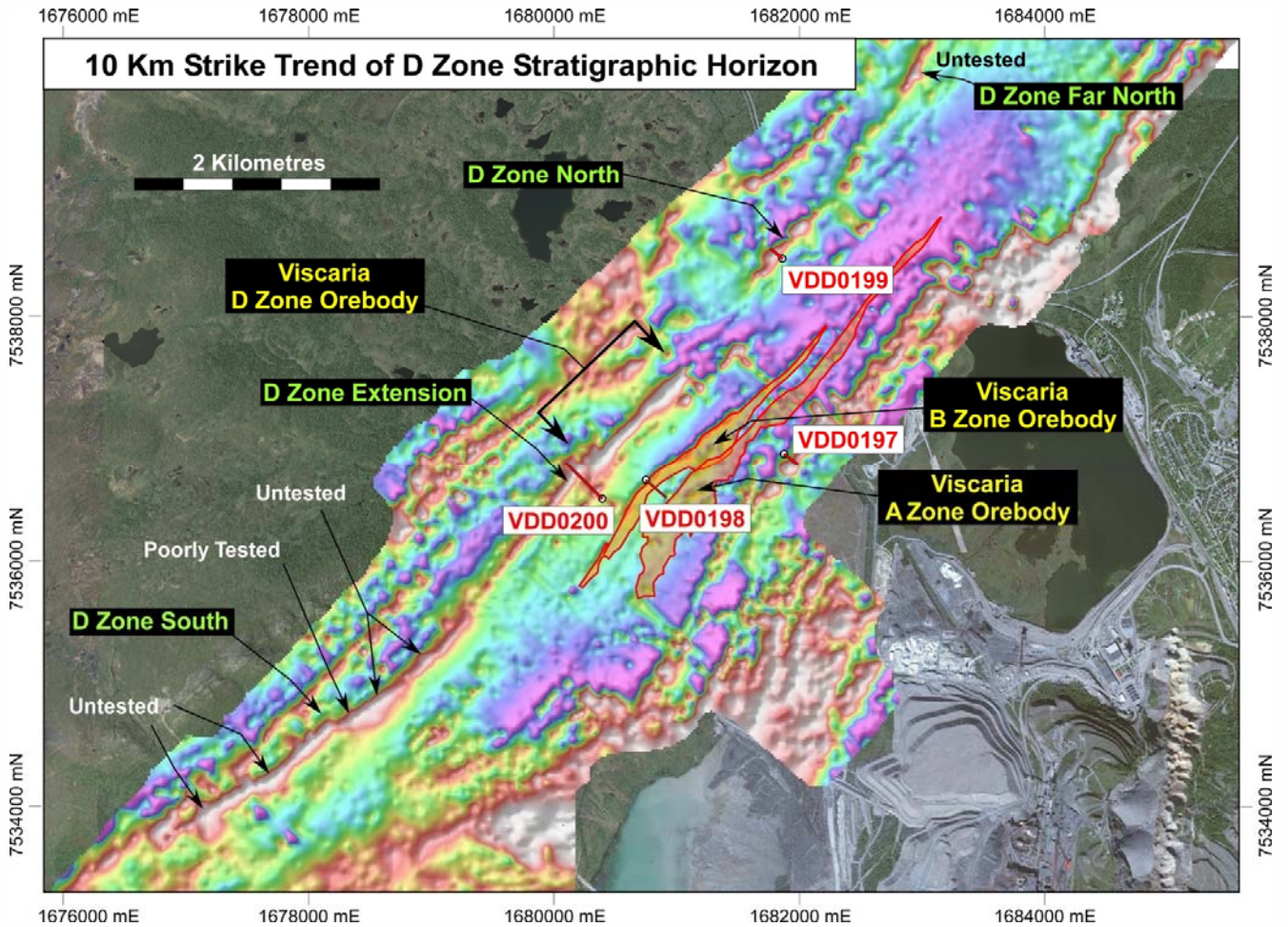


Figure 6: Plan view showing location of drill holes VDD 197 to VDD 200, and the highly prospective D Zone extension and D Zone South targets on a magnetic image.

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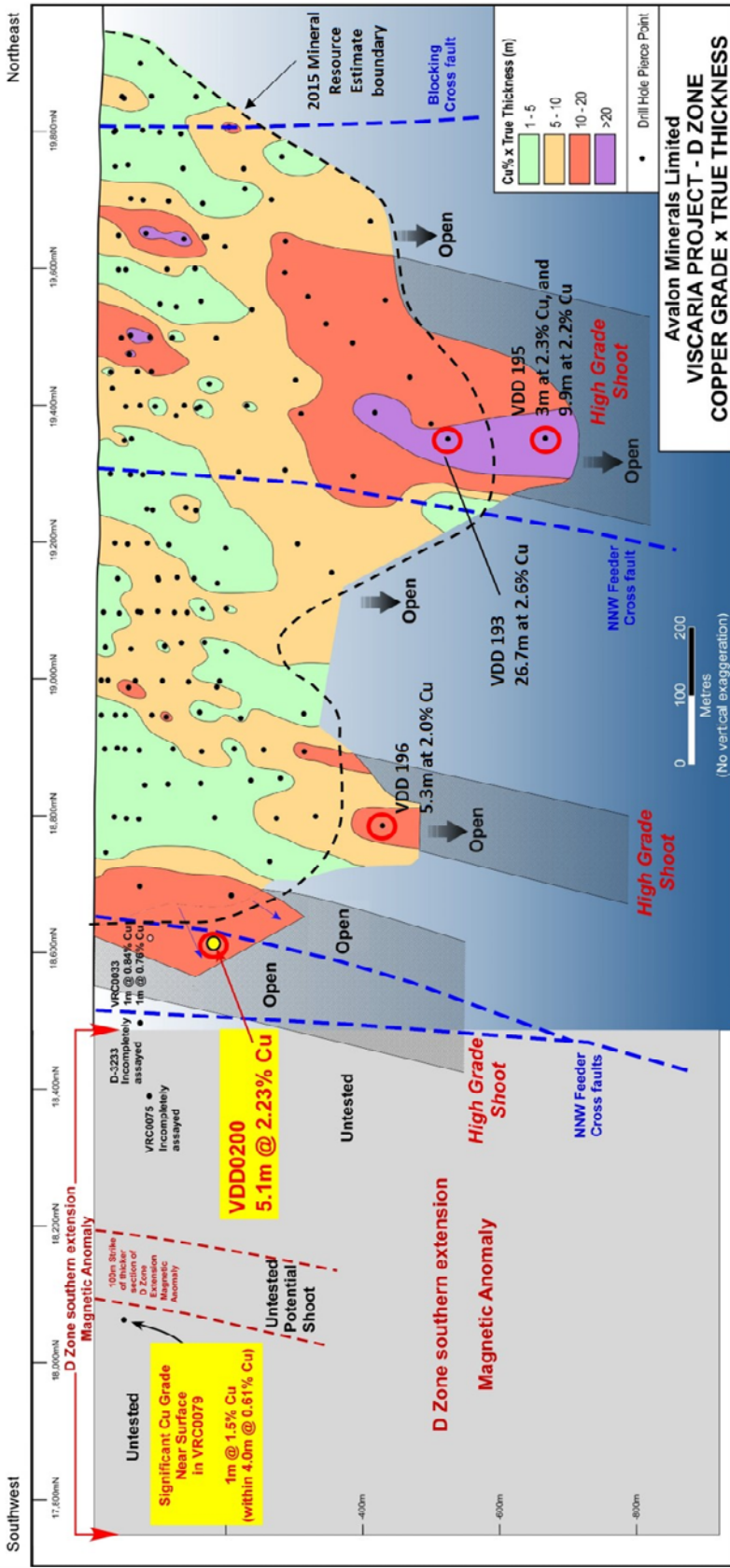


Figure 7: Long section D Zone showing southern extension target area.

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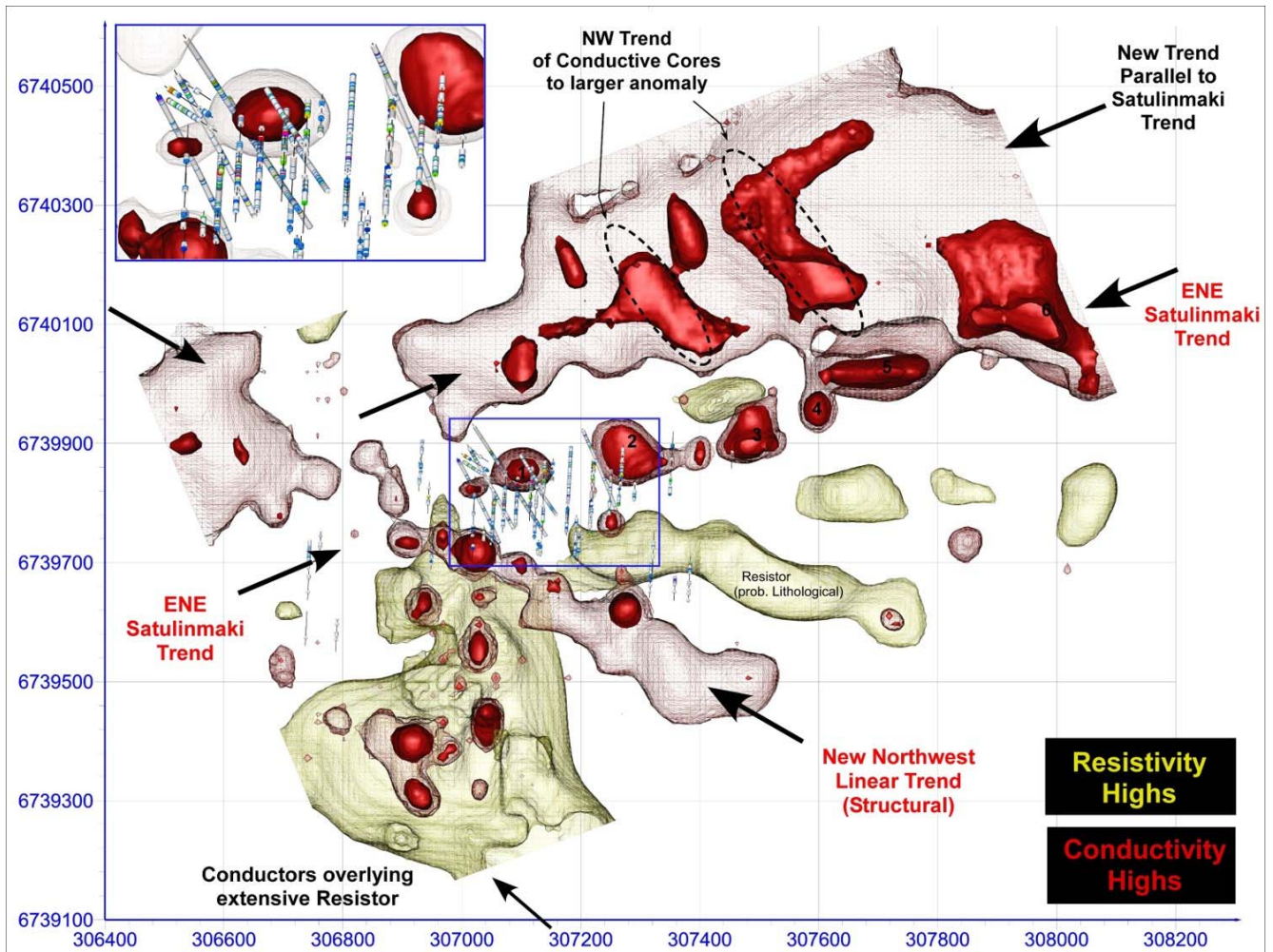


Figure 8: Compilation of IP survey results at Satulinmäki showing trends identified as being prospective for gold mineralisation relative to the existing drilling. The ENE Satulinmäki trend is now 1.2km long and significantly expands the gold target.

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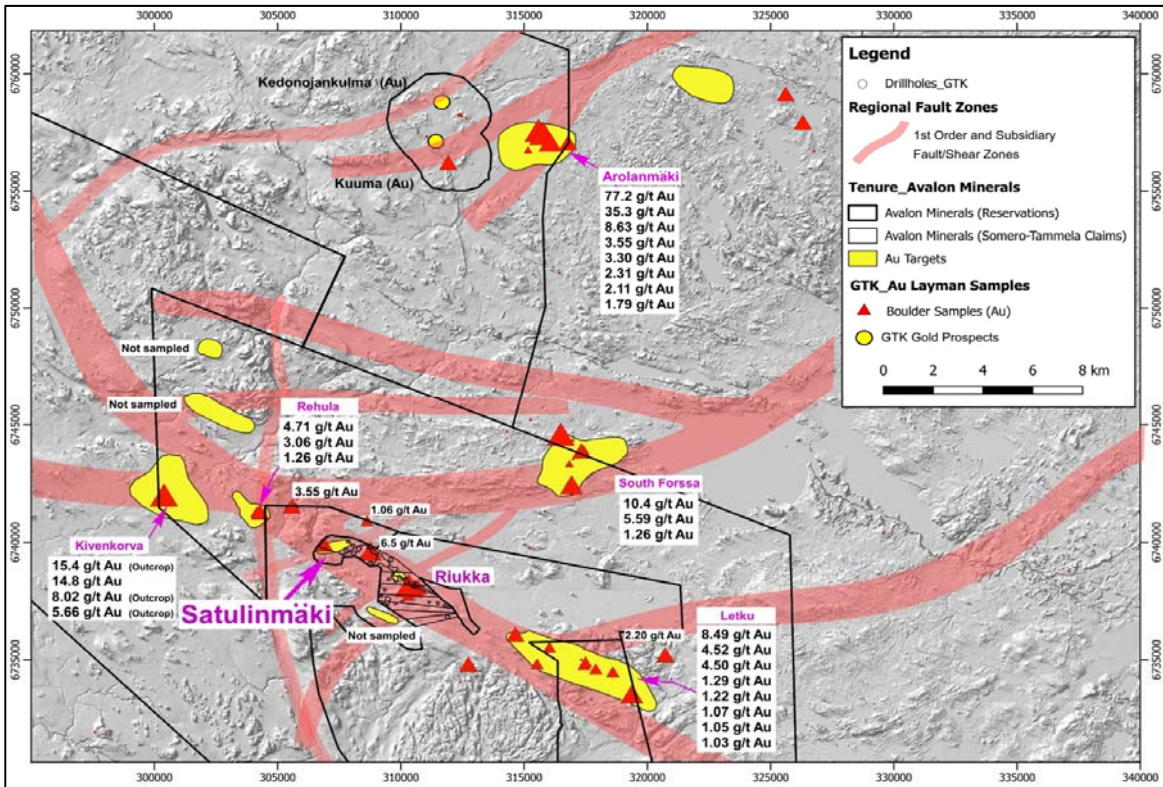


Figure 9: Regional geological interpretation showing significant boulder rock chip assays from GTK boulder analysis, and the interpreted controlling structures in the area, including Satulinmäki.

Competent Persons Statement

The information in this report that relates to exploration results is based upon information reviewed by Dr Bruce Rohrlach who is a Member of the Australasian Institute of Mining and Metallurgy. Dr Rohrlach is a full-time employee of Sunstone Metals Ltd and has sufficient experience which 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". Dr Rohrlach consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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TENEMENT SCHEDULE

At the end of the quarter, the Company holds the following tenements:

Copper Tenements

Tenement Holder	Tenement Name	Location	Status	Sunstone Ownership
La Plata Minerales S.A.	Bramaderos [†]	Loja, Ecuador	Granted	0%
Avalon Minerals Viscaria AB	Viscaria No 1	Norrbotten, Sweden	Granted	100%
Avalon Minerals Viscaria AB	Viscaria No 2	Norrbotten, Sweden	Lapsed	0%
Avalon Minerals Viscaria AB	Viscaria No 101	Norrbotten, Sweden	Granted	100%
Avalon Minerals Viscaria AB	Viscaria No 107	Norrbotten, Sweden	Granted	100%
Avalon Minerals Viscaria AB	Viscaria No 112	Norrbotten, Sweden	Granted	100%
Avalon Minerals Viscaria AB	Huornas No 1	Norrbotten, Sweden	Lapsed	0%
Avalon Minerals Viscaria AB	Huornas No 2	Norrbotten, Sweden	Granted	100%
Avalon Minerals Viscaria AB	Viscaria K No 3	Norrbotten, Sweden	Granted	100%
Avalon Minerals Viscaria AB	Viscaria K No 4	Norrbotten, Sweden	Granted	100%
Avalon Minerals Viscaria AB	Viscaria K No 7 [*]	Norrbotten, Sweden	Application	100%
Avalon Minerals Viscaria AB	Nihka East	Norrbotten, Sweden	Granted	100%
Avalon Minerals Viscaria AB	Goddevarri	Norrbotten, Sweden	Granted	100%
Avalon Minerals Viscaria AB	Viscaria East	Norrbotten, Sweden	Granted	100%

Gold Tenements

Tenement Holder	Tenement Name	Location	Status	Sunstone Ownership
Kultatie Oy	Somero 1-12 [*]	Somero, Finland	Granted	51%
Tammela Minerals Oy	Rehumäki [*]	Somero, Finland	Granted	51%
Scandian Metals AB	Ypäjä [†]	Somero, Finland	Granted	100%
Scandian Metals AB	Kukonharja [†]	Somero, Finland	Granted	100%
Scandian Metals AB	Paimio [†]	Somero, Finland	Granted	100%
Scandian Metals AB	Mylykulma [†]	Somero, Finland	Application	100%
Scandian Metals AB	Häiviä [†]	Somero, Finland	Application	100%
Scandian Metals AB	Palikkala [†]	Somero, Finland	Application	100%
Scandian Metals AB	Uusikallio [†]	Somero, Finland	Application	100%

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Lithium Tenements

Tenement Holder	Tenement Name	Location	Status	Sunstone Ownership
Scandian Metals AB	Ladumyrberget nr 1	Vasternorrlands, Sweden	Granted	80%
Scandian Metals AB	Ojaklacken nr 1	Vasternorrlands, Sweden	Granted	80%
Scandian Metals AB	Fannbyasen nr 1	Vasternorrlands, Sweden	Granted	80%
Scandian Metals AB	Fannbyasen nr 2	Vasternorrlands, Sweden	Granted	80%
Litiumloydos Oy	Tammela 1-3*	Somero, Finland	Granted	40.8%
Tammela Minerals Oy	Rehumäki*	Somero, Finland	Granted	40.8%
Scandian Metals AB	Hietahauta	Kaustinen, Finland	Granted	80%
Scandian Metals AB	Viitala	Kaustinen, Finland	Granted	80%

*Subject to earn-in joint venture with Nortec Minerals Corp. (Tammela Minerals Oy). 51% earned by Sunstone for gold and Scandian for lithium, and tenements have been transferred to JV entity. Exploration Reservations cannot be transferred under Finnish law, therefore Rehumäki remains in Tammela Minerals Oy name, until such time as an Exploration Permit is granted over the area.

^ The approved, but under appeal, K7 Exploitation Concession at Viscaria has been returned to the Swedish Mines Inspectorate for further review as part of an industry wide review of appealed exploitation concessions in Sweden. The K7 Exploitation Concession has reverted to being under application, with further information being provided by Sunstone to support this application.

† To be transferred to a 100% owned Sunstone subsidiary upon approval of Exploration Permits (Exploration Reservations cannot be transferred). Scandian Metals AB retains rights to any lithium interests within these areas.

^Sunstone has a right to earn up to 80% under the terms of the earn-in agreement announced to ASX on 10 April 2017

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DIRECTORY

SUNSTONE METALS LIMITED
ABN 68 123 184 412

Web site: www.sunstonemetals.com.au
Email: info@sunstonemetals.com.au

Stock Exchange Listing

Australian Stock Exchange ASX Code: STM

Investor Information Contacts:

Mr Gavin Leicht - Company Secretary
Sunstone Metals Limited
Tel: 07 3368 9888
Email: gleich@sunstonemetals.com.au

Shareholder Enquiries:

Share registry matters should be directed to:

Computershare Investor Services
Phone: 1300 850 505
Website: www.computershare.com.au

Registered Office:

9 Gardner Close
Milton Queensland 4064
Phone: 07 3368 9888
Fax: 07 3368 9899

Issued capital:

Ordinary shares: 885,880,982 (STM)
Quoted Options: 154,837,500 (STMO)*
(at 30 Sept 2017)
* exercisable at 3 cents on or before 31 August 2019

Directors:

Graham Ascough – Non-Executive Chairman
Malcolm Norris – CEO/Managing Director
Crispin Henderson – Non-Executive Director
Don Hyma - Non-Executive Director
Stephen Stroud - Non-Executive Director

Company Secretary:

Gavin Leicht

For further information please visit www.sunstonemetals.com.au or contact:

Sunstone Metals Limited
T: 07 3368 9888
E: info@sunstonemetals.com.au
www.sunstonemetals.com.au

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

Sunstone Metals Limited

ABN

68 123 184 412

Quarter ended ("current quarter")

30 September 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(544)	(544)
(b) development		
(c) production		
(d) staff costs	(316)	(316)
(e) administration and corporate costs	(261)	(261)
1.3 Dividends received (see note 3)		
1.4 Interest received	3	3
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds	(238)	(238)
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(1,356)	(1,356)

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 (3 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	0	0

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	3,260	3,260
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	(158)	(158)
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	3,103	3,103

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	476	476
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,356)	(1,356)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	0	0
4.4 Net cash from / (used in) financing activities (item 3.10 above)	3,103	3,103
4.5 Effect of movement in exchange rates on cash held	(1)	(1)
4.6 Cash and cash equivalents at end of period	2,222	2,222

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	337	397
5.2 Call deposits	1,885	79
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)	2,222	476

6. Payments to directors of the entity and their associates

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

**Current quarter
\$A'000**

126

Directors remuneration includes Managing Director salary.

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

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

**Current quarter
\$A'000**

N/A

Mining exploration entity and oil and gas exploration entity quarterly report

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		
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.		
N/A		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	1,000
9.2 Development	
9.3 Production	
9.4 Staff costs	300
9.5 Administration and corporate costs	185
9.6 Other (provide details if material) Tax Payment	
9.7 Total estimated cash outflows	1,485

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	Huornas Nr1 and Viscaria Nr2 In Sweden	Exploration tenements lapsed after a technical review downgraded the technical merits of these areas	100%	0%
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:

(Director/Company secretary)

Date: 11 October 2017

Print name: GAVIN LEICHT

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.