



**NEWS RELEASE | 31 January 2019**

## **DECEMBER 2018 QUARTERLY REPORT**

Highlights from and subsequent to the quarter end:

### ***Possible Prairie and JSW Co-Operation***

- During the quarter, Prairie and JSW jointly reported that JSW's due diligence had confirmed semi-soft coking coal quality at Jan Karski which JSW could potentially utilise, and had also indicated the technical feasibility and potential synergies in accessing Debiensko via JSW's existing infrastructure. JSW estimates such synergies could potentially enable production within 18 months from all relevant permits and concession amendments being granted.
- There can be no certainty as to whether any transaction(s) will be agreed, or the potential form of such transaction(s). The Company will continue to comply with its continuous disclosure obligations and will make announcements to the market as required.

### ***Debiensko Mine***

- In December 2016, following the acquisition of Debiensko, Prairie applied to the Ministry of Environment to amend the 50-year Debiensko mining concession to extend the time stipulated in the mining concession for first production of coal from 2018 to 2025. In January 2019, Prairie received a final "second instance" decision from the Ministry of Environment that has denied the amendment application.
- Prairie will strongly defend its position and continue to take relevant actions to pursue its legal rights regarding the Debiensko concession, including filing an appeal.

### ***Jan Karski Mine***

- Poland's Supreme Administrative Court finally and fully rejected Bogdanka's administrative complaints against Poland's Ministry of Environment regarding the refusal of Bogdanka's 2013 application for a mining concession over the K-6-7 deposit at Jan Karski.
- The Supreme Administrative Court has also upheld the 2016 Regional Administrative Court decision that obliged the Ministry of Environment to approve Prairie's Addendum No.3 for the K-6-7 deposit. Addendum No.3 is a detailed resource estimate for the K-6-7 deposit according to Polish geological reporting standards and is based on the results of Prairie's exploration program at the deposit.

### ***Corporate***

- Prairie remains in a financially strong position with cash reserves of A\$8.6 million on hand.

**For further information, please contact:**

#### **Prairie Mining Limited**

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## DEBIENSKO MINE

The Debiensko Mine (“**Debiensko**”) is a permitted, hard coking coal project located in the Upper Silesian Coal Basin in the south west of the Republic of Poland. It is approximately 40 km from the city of Katowice and 40 km from the Czech Republic.

Debiensko is bordered by the Knurów-Szczygłowiec Mine in the north west and the Budryk Mine in the north east, both owned and operated by Jastrzębska Spółka Węglowa SA (“**JSW**”), Europe’s leading producer of hard coking coal.

The Debiensko mine was originally opened in 1898 and was operated by various Polish mining companies until 2000 when mining operations were terminated due to a major government led restructuring of the coal sector caused by a downturn in global coal prices. In early 2006 New World Resources Plc (“**NWR**”) acquired Debiensko and commenced planning for Debiensko to comply with Polish mining standards, with the aim of accessing and mining hard coking coal seams. In 2008, the Ministry of Environment (“**MoE**”) granted a 50-year mining concession for Debiensko.

In October 2016, Prairie Mining Limited’s (“**Prairie**” or “**Company**”) acquired Debiensko with a view that a revised development approach would potentially allow for the early mining of profitable premium hard coking coal seams, whilst minimising upfront capital costs. Prairie has proven expertise in defining commercially robust projects and applying international standards in Poland. The fact that Debiensko is a former operating mine and its proximity to two neighbouring coking coal producers in the same geological setting, reaffirms the significant potential to successfully bring Debiensko back into operation.

### Update on Concession Amendment Application

In December 2016, following the acquisition of Debiensko, Prairie applied to the MoE to amend the 50-year Debiensko mining concession.

The purpose of the concession amendment was to extend the time stipulated in the mining concession for first production of coal from 2018 to 2025. Prairie has now received a final “second instance” decision from the MoE that has denied the Company’s amendment application. Not meeting the production timeframe stipulated in the concession does not automatically infringe on the validity and expiry date of the Debiensko mining concession, which is June 2058. Prairie also holds a valid environmental consent decision enabling mine construction and continues to have valid tenure and ownership of land at Debiensko. However, the concession authority now has the right to request the concession holder to remove any infringements related to non-compliance with the conditions of the mining concession and determine a reasonable date for removal of the infringements. In accordance with Polish law, the concession authority is required to provide an achievable and reasonable timeframe to remedy any non-compliance taking into account the nature of the non-compliance. Nevertheless, the second instance decision may result in the commencement of proceedings by the MoE to limit or withdraw the Debiensko mining concession.

The MoE has taken over 24 months to finalise the concession amendment proceedings, including seven months to issue a second instance decision, whereas under Polish administrative law there is a maximum statutory deadline of two months for the MoE to issue such decisions.

**Prairie will strongly defend its position and continue to take relevant actions to pursue its legal rights regarding the Debiensko concession, including filing an appeal. Preliminary legal advice obtained by Prairie indicates that the MoE's decision is fundamentally flawed, fails to comply with Polish, EU and international law, and demonstrates yet further evidence of the discriminatory treatment faced by Prairie as a foreign investor in Poland.**

The Company will consider any other actions necessary to ensure its concession rights are preserved, which may result in the Company taking further action against the MoE including invoking the protection afforded to the Company under any relevant bi-lateral or multi-lateral investment treaties or such other actions as the Company may consider appropriate at the relevant time.

Prairie will continue to update the market in relation to this matter as required.

## **JAN KARSKI MINE**

The Jan Karski Mine ("**Jan Karski**") is a large scale semi-soft coking coal project located in the Lublin Coal Basin in south east Poland. The Lublin Coal Basin is an established coal producing province which is well serviced by modern and highly efficient infrastructure, offering the potential for low capital intensity mine development. Jan Karski is situated adjacent to Lubelski Węgiel BOGDANKA S.A.'s ("**Bogdanka**") Bogdanka coal mine which has been in commercial production since 1982 and is the lowest cost hard coal producer in Europe.

Prairie's use of modern exploration techniques continues to transform Jan Karski with latest drill results re-affirming the capability of the the project to produce high value ultra-low ash semi-soft coking coal ("**SSCC**"), known as Type 34 coal in Poland whilst confirming Jan Karski as a globally significant SSCC / Type 34 coking coal deposit with the potential to produce a high value ultra-low ash SSCC with a coking coal product split of up to 75%.

Key benefits for the local community and the Lublin and Chelm regions associated with the development, construction and operation of Jan Karski have been recognised as the following:

- creation of 2,000 direct employment positions and 10,000 indirect jobs for the region once operational;
- increasing skills of the workforce and through the implementation of International Standard training programmes;
- stimulating the development of education, health services and communications within the region; and
- building a mine that creates new employment for generations to come and career paths for families to remain in the region.

## **Positive Rulings in Supreme Administrative Court**

Poland's Supreme Administrative Court has finally and fully rejected Bogdanka's administrative complaints against Poland's MoE regarding the refusal of Bogdanka's 2013 application for a mining concession over the K-6-7 deposit at Jan Karski.

This Supreme Administrative Court decision is final, cannot be appealed and has upheld the 2016 Regional Administrative Court decision that confirms the original 2015 decision, which denied Bogdanka's mining concession application. It has been concluded that granting a mining concession to Bogdanka would be a serious violation of the provisions of Poland's Geological and Mining Law ("**GML**"), and would be contrary to the rule of law as embodied in the Polish constitution.

In a second ruling, the Supreme Administrative Court has upheld the 2016 Regional Administrative Court decision that obliged the MoE to approve Prairie's submitted Addendum No.3 for the K-6-7 deposit. Addendum No.3 is a detailed resource estimate for the K-6-7 deposit according to Polish geological reporting standards and is based on the results of Prairie's exploration program at the deposit. This complaint was bought against the MoE by Prairie in 2015.

The Court's ruling will now be passed back to the MoE, and the MoE is obliged to promptly reassess the original decision taking into account the court's verdict i.e., to issue a positive decision approving Addendum No.3.

**The significance of this Supreme Administrative Court decision is that Bogdanka's 2018 application for a mining concession over K-6-7 is now entirely inadmissible under Polish law (Bogdanka's application was suspended following an injunction awarded in Prairie's favour (see news release dated 26 April 2018) and requires the MoE to reject Bogdanka's mining concession application).**

**The Supreme Administrative Court's rulings re-affirm, beyond doubt, that Bogdanka's claims over K-6-7 are without merit and inadmissible. The Board notes that Bogdanka's claims have been vigorously rejected by the Polish courts in multiple rulings. Furthermore, the Court's decision obliging the MoE to approve Addendum No.3 demonstrates that the MoE has acted illegally and failed to correctly implement Poland's own mining laws.**

#### **Injunction against Poland's Ministry of Environment Remains in Force**

In April 2018, Prairie commenced legal proceedings against the MoE due to its failure to grant Prairie a Mining Usufruct Agreement over the concessions which form the Jan Karski Mine and in order to protect the Company's security of tenure over the project.

Pursuant to the initiated legal proceedings:

- the Polish Civil Court ruled in Prairie's favour by granting an injunction preventing the MoE from granting prospecting, exploration or mining concessions and concluding usufruct agreements with any other party until full court proceedings are concluded; and
- the decision provides security of tenure over the Jan Karski concessions and effectively safeguards Prairie's rights at the project until full court proceedings have concluded.

The Regional Civil Court in Warsaw has issued a verdict that forms an injunction preventing the MoE from concluding exploration or mining usufruct agreement(s) regarding the Jan Karski Mine area (including the "Lublin" deposit, as well as the former K-4-5, K-6-7, K-8 and K-9 concession areas) with any party, other than PD Co Sp. z. o.o. (Prairie's wholly owned Polish subsidiary). The Court has also ordered that the MoE does not grant any concessions (for prospecting, exploration and/or mining) to any party other than PD Co Sp. z. o.o. This highly favourable court ruling was issued in response to Prairie's application submitted as part of the legal proceedings commenced by Prairie to protect its tenure at Jan Karski.

As a result of the ruling by the Regional Civil Court in Warsaw, security of tenure over the Jan Karski concessions will be safeguarded until full court proceedings have concluded. It is anticipated that full court proceedings could take 12 months or more to complete.

In the justification to the Court's ruling, the judge stated that: *"Based on the evidence one may at this point state that the plaintiff [Prairie] enjoys the right to request conclusion of the requested mining usufruct agreement for the "Lublin" hard coal area (otherwise known as Jan Karski) resulting from Article 15 of the Geological and Mining Law."*

Prairie has provided the MoE with all documents required by Polish Law to conclude a Mining Usufruct Agreement, including the Geological Documentation approval and an official application for a Mining Usufruct Agreement.

To date the MoE has still not provided Prairie with a Mining Usufruct Agreement for Jan Karski.

Based on professional advice, Prairie considers that the MoE breached Poland's GML and Polish law and is defending its position having commenced legal proceedings against the MoE through the Polish courts to protect its tenure at Jan Karski.

## **CORPORATE**

### **Possible Co-Operation between Prairie and JSW**

Discussions continued throughout the quarter and remain ongoing between Prairie and JSW. JSW's due diligence process at Jan Karski has confirmed that part of the "Lublin" deposit contains semi-soft coking coal (Type 34), which can be potentially utilised by JSW.

JSW has stated that due diligence at Debiensko has also indicated the technical feasibility and potential synergies of accessing initial seams at the Debiensko deposit utilising the existing infrastructure at JSW's adjacent Knurów-Szczygłowice mine. Exploiting those synergies would require modifications to project configuration and obtaining relevant approvals, including concession modifications. JSW estimates that access via the Szczygłowice mine potentially enables the production of hard coking coal (Type 35) from Debiensko in up to 18 months from the time that relevant administrative permits and concession amendments are granted.

There can be no certainty as to whether any transaction(s) or co-operation will be agreed, or the potential form of such transaction(s) or co-operation. It is emphasised that any potential transaction(s), should they occur, may be subject to a number of conditions including, but not limited to, obtaining necessary corporate approvals, consents and approvals related to funding, consents from Poland's Office of Competition and Consumer Protection (UOKiK) if required, and any other requirements that may relate to the strategy, objectives and regulatory regimes applicable to the respective issuers.

### **Financial Position and Balance Sheet**

Prairie has cash reserves of A\$8.6 million. With CD Capital's right to invest a further A\$68 million as a cornerstone investor, Prairie is in a strong financial position to progress with its planned activities at Debiensko and Jan Karski.

### **Forward Looking Statements**

This release may include forward-looking statements. These forward-looking statements are based on Prairie's expectations and beliefs concerning future events. Forward looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Prairie, which could cause actual results to differ materially from such statements. Prairie makes no undertaking to subsequently update or revise the forward-looking statements made in this release, to reflect the circumstances or events after the date of that release.

### **Competent Person Statements**

The information in this announcement that relates to Exploration Results was extracted from Prairie's announcement dated 21 February 2018 entitled "Drill Results Affirm Jan Karski's Status as a Globally Significant Semi-Soft (Type 34) Coking Coal Project". The information in the original announcement is based on, and fairly represents information compiled or reviewed by Mr Jonathan O'Dell, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr O'Dell is a part time consultant of the Company. Mr O'Dell has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Prairie confirms that: a) it is not aware of any new information or data that materially affects the information included in the original announcements; b) all material assumptions and technical parameters included in the original announcements continue to apply and have not materially changed; and c) the form and context in which the relevant Competent Persons' findings are presented in this presentation have not been materially modified from the original announcements.

## APPENDIX 1 - EXPLORATION TENEMENT INFORMATION

As at 31 December 2018, the Company has an interest in the following tenements:

Location	Tenement	Percentage Interest	Status	Tenement Type
Jan Karski, Poland	Jan Karski Mine Plan Area (K-4-5, K-6-7, K-8 and K-9)*	100	Granted	Exclusive Right to apply for a mining concession
Jan Karski, Poland	Kulik (K-4-5)	100	Granted	Exploration
Jan Karski, Poland	Syczyn (K-8)	100	Granted	Exploration
Jan Karski, Poland	Kopina (K-9)	100	Granted	Exploration
Debiensko, Poland	Debiensko 1**	100	Granted	Mining
Debiensko, Poland	Kaczyce 1	100	Granted	Mining & Exploration (includes gas rights)

\* In July 2015, Prairie announced that it had secured the Exclusive Right to apply for a Mining Concession for Jan Karski as a result of its Geological Documentation for the Jan Karski deposit being approved by Poland's MoE. The approved Geological Documentation covers areas of all four original Exploration Concessions granted to Prairie (K-4-5, K-6-7, K-8 and K-9) and includes the full extent of the targeted resources within the mine plan for Jan Karski. As a result of the Exclusive Right, Prairie was the only entity with a legal right to lodge a Mining Concession application over Jan Karski for the period up and until 2 April 2018. Under the Polish GML, a Mining Concession application comprises the submission of a Deposit Development Plan ("DDP"), approval of a spatial development plan (rezoning of land for mining use) and an Environmental Consent decision. Prairie has previously announced that the DDP and spatial development plans for Jan Karski have already been approved.

However, as of the date of this report, Prairie has not yet received the required Environmental Consent decision, which remains pending. Prairie completed an Environmental and Social Impact Assessment and made submissions to RDOS for an Environmental Consent decision in October 2017. Prairie has not been able to apply for a Mining Concession for Jan Karski due to the delay in the issuance of an Environmental Consent decision. However, the Environmental Consent proceedings continue to progress and the Company has provided to RDOS supplementary information to the originally submitted Environmental & Social Impact Assessment, as requested by RDOS.

The approval of Prairie's Geological Documentation in 2015 also conferred upon Prairie the legal right to apply for a Mining Usufruct Agreement over Jan Karski for an additional 12-month period beyond April 2018, which precludes any other parties being granted any licence over all or part of the Jan Karski concessions. Under Polish law, the MoE is strictly obligated, within three months of Prairie making an application for a Mining Usufruct Agreement, to grant the agreement. It should be noted that the MoE confirmed Prairie's priority right in two written statements (i.e. in a final administrative decision dated 11 February 2016 and in a formal letter dated 13 April 2016). Prairie applied to the MoE for a Mining Usufruct Agreement over Jan Karski in late December 2017. As of the date of this report the MoE has not made available to Prairie a Mining Usufruct Agreement for Jan Karski, therefore breaching the three-month obligatory period for the agreement to be concluded. Legal advice provided to Prairie concludes that failure of the MoE to grant Prairie the Mining Usufruct Agreement is a breach of Polish law. Accordingly, the Company commenced legal proceedings against the MoE through the Polish courts in order to protect the Company's security of tenure over the Jan Karski concessions. Since the MoE has not provided a decision within three months regarding Prairie's Mining Usufruct application, the Polish civil court has the power to enforce conclusion of a Usufruct Agreement in place of the MoE. In the event that a Mining Usufruct Agreement is not made available to the Company on acceptable terms or the Company does not enter into a Mining Usufruct Agreement for any other reason, other parties may be able to apply for exploration or mining rights for all or part of the Jan Karski concession area. However, given that the Civil Court has approved Prairie's motion for an injunction against the MoE, as described above, the MoE is now prevented from entering into a Usufruct agreement or concession with any other party besides Prairie until the full court proceeding has concluded (which is expected to take 12 months to conclude).

\*\* Under the terms of the Debiensko Mining Concession issued in 2008 by the MoE (which is valid for 50 years from grant date), commencement of production was to occur by 1 January 2018. In December 2016, following the acquisition of Debiensko, Prairie applied to the MoE to amend the 50 year Debiensko Mining Concession. The purpose of the concession amendment was to extend the time stipulated in the Mining Concession for first production of coal from 2018 to 2025. Prairie has now received a final "second instance" decision from the MoE that has denied the Company's amendment application. However, Prairie does still continue to have valid tenure and ownership of land at Debiensko. Not meeting the production timeframe stipulated in the concession does not automatically infringe on the validity and expiry date of the Debiensko mining concession, which is June 2058. Prairie also holds a valid environmental consent decision enabling mine construction. However, the concession authority now has the right to request the concession holder to remove any infringements related to non-compliance with the conditions of the mining concession and determine a reasonable date for removal of the infringements. In accordance with Polish law, the concession authority is required to provide an achievable and reasonable timeframe to remedy any non-compliance taking into account the nature of the non-compliance. Nevertheless, the second instance decision may result in the commencement of proceedings by the MoE to limit or withdraw the Debiensko mining concession. Prairie will strongly defend its position and continue to take relevant actions to pursue its legal rights regarding the Debiensko concession, including filing an appeal to Poland's Administrative Courts and pursuing safeguards and protections under international law. Preliminary legal advice obtained by Prairie indicates that the MoE's decision is fundamentally flawed, fails to comply with Polish, EU and international law, and demonstrates yet further evidence of the discriminatory treatment faced by Prairie as a foreign investor in Poland. The Company will consider any other actions necessary to ensure its concession rights are preserved, which may result in the Company taking further action against the MoE and the Government of Poland, including invoking the protection afforded to the Company under relevant bi-lateral or multi-lateral investment treaties.

## 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

PRAIRIE MINING LIMITED

### ABN

23 008 677 852

### Quarter ended ("current quarter")

31 December 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(676)	(1,456)
(b) development	-	-
(c) production	-	-
(d) staff costs	(299)	(635)
(e) administration and corporate costs	(206)	(498)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	61	123
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)		
(a) Business development costs	(35)	(92)
(b) Property rental and gas sales	86	180
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,069)</b>	<b>(2,378)</b>

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

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(29)	(67)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(29)</b>	<b>(67)</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	9,670	11,016
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,069)	(2,378)
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)	(29)	(67)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	1
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>8,572</b>	<b>8,572</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	1,572	2,170
5.2	Call deposits	7,000	7,500
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>8,572</b>	<b>9,670</b>

<b>6.</b>	<b>Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to these parties included in item 1.2	(183)
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	Nil
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Payments include executive remuneration (including bonuses), director fees, superannuation and provision of a fully serviced office.

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

Not applicable

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

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

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<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	(500)
9.2 Development	-
9.3 Production	-
9.4 Staff costs	(300)
9.5 Administration and corporate costs	(200)
9.6 Other (provide details if material)	
(a) Business development costs	(50)
<b>9.7 Total estimated cash outflows</b>	<b>(1,050)</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
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: *[lodged electronically without signature]* Date: 31 January 2019  
.....  
(Director/Company secretary)

Print name: Dylan Browne

**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.