ACTIVITIES REPORT – MARCH QUARTER 2018

Summary

Koonenberry EL 6400, NSW

- The Company continues to assess the technical and economic possibility of in-situ Cu (copper) leaching–extraction of existing JORC Code (2004) resource at Grasmere-Peveril.

Pooraka ELs 6413, 7564, and 8424, NSW

- Assessment of technical risks and rewards of the planned drilling of the possible WNW strike extensions of the Canbelago gold mine directly to the south.

New Ventures

- Several new ventures both overseas and in Australia were considered by the Company seeking potential for growth.
- On 9 April 2018 the Company announced the Binding Terms Sheet under which it proposes to invest in emerging Cobalt Mining Regions in NSW and QLD.

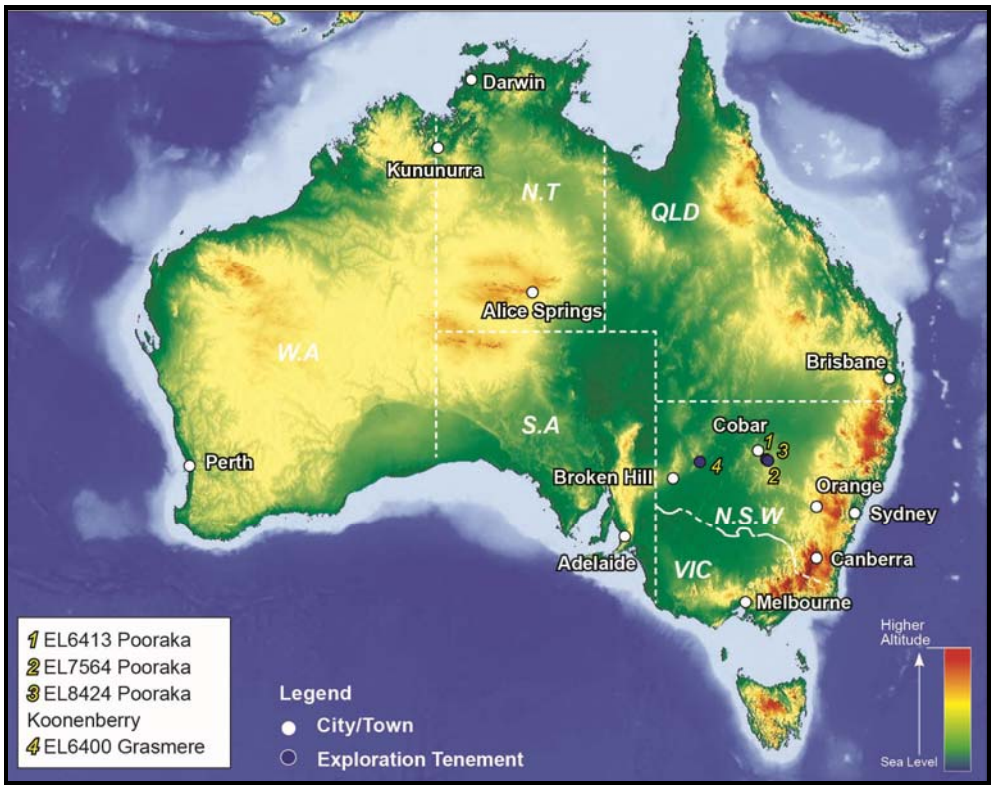

Figure 1 – List of Licences and their Locations in New South Wales, Australia

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ACTIVITIES IN THE KOONENBERRY

EL 6400 NSW – 100% interest
Copper-Zinc-(Silver) Exploration

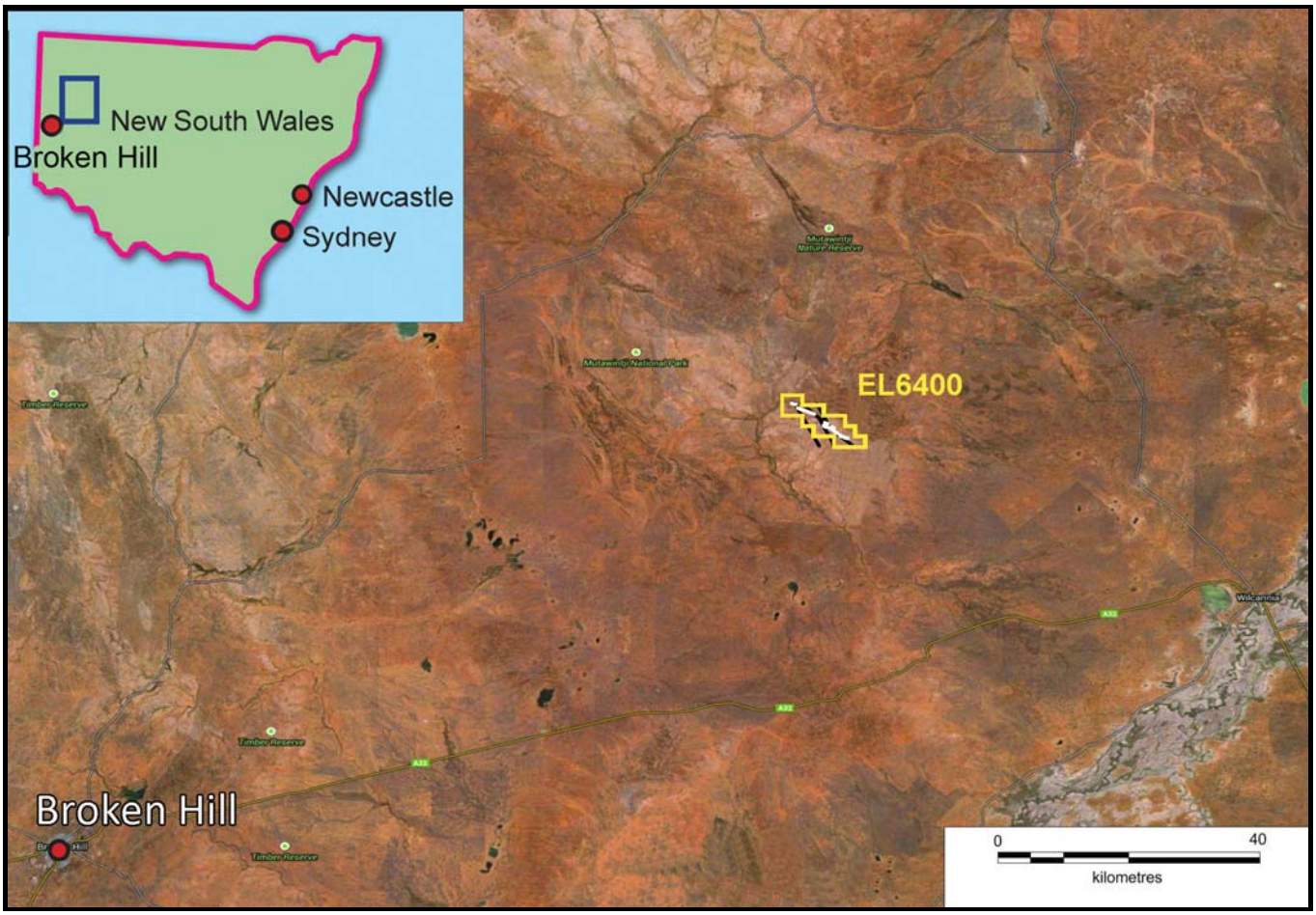

Figure 2 – Location of Current Koonenberry Exploration Licence EL 6400
Note: *Line of mineralization – white; Faults- black*

EL 6400: This EL covers the Grasmere-Peveril Cu-Zn-(Ag) deposits, which contain a significant indicated and inferred JORC Code 2004 compliant resource of 5.75mt @ 1.03% Cu, 0.35% Zn, 2.3g/t Ag and 0.05g/t Au (Inferred: 2.73 mt grading 0.9% Cu, 0.4% Zn, .04 g/t Au and 2.05 g/t Ag. Indicated: 3.02 mt grading 1.15% copper, 0.3% Zn, 0.06 g/t Au and 2.53 g/t Ag). Information relating to this mineral resource was prepared and first reported in accordance with the JORC Code 2004 in 2006. It has not been updated since, to comply with the JORC Code 2012, on the basis that the information has not materially changed since it was reported in 2006. Exploration to date has not achieved an increase in that resource.

The existing JORC Code (2004) resource is assessed to be not suitable for conventional mining and treatment due to the small scale, narrow shoots, remote location and high capital costs.

The Company continues to assess the technical and economic feasibility of applying *in-situ leaching* ("ISL") techniques to extract Cu from known lodes. Copper is usually leached using acid (sulfuric acid or hydrochloric acid), then recovered from solution by *solvent extraction-electro-winning* (SX-EW) or by chemical precipitation, e.g. using iron as a precipitant.

Copper ISL is normally undertaken by *stope leaching* where broken low-grade ore is leached in a current or former underground mine. Leaching can also take place in backfilled stopes or caved areas or using *well-to-well recovery* method which was successful in Arizona, USA. ISL has the benefit of having a low environmental impact, with little infrastructure and low capital investment requirement which the Company may find easier to fund.

At the Grasmere-Peveril line of lode there are 600+ existing drill holes that may be selectively re-entered and used as leach wells or extraction wells. The leach wells would introduce an oxygenated acidic leaching liquid with a fine suspension of quartz grains, into the lodes under sufficient pressure to frack them and deposit quartz grains in cracks as the *propping agent*. Oxygen would react with the abundant contained pyrite, and, in the presence of the aqueous leach liquid, should rapidly produce ferric sulfate and additional sulfuric acid, which would speed up dissolution of chalcopyrite. The reaction is exothermic (generates heat) which also enhances the process. As an alternative to acid leaching, ammonia-oxygen leaching could be used.

The Grasmere-Peveril mineralization exhibit a number of features that appear efficacious for ISL extraction of copper, using sulphuric acid. Firstly, the ore consists largely of broken and fractured pyrite grains, with chalcopyrite and lesser sphalerite conveniently located in cracks and crevices between pyrite grains. Hydraulic fracking should preferentially open those cracks and crevices, and the abundant pyrite, when oxidized, should produce new (additional) sulphuric acid. The low proportion of acid reactive carbonate minerals (gangue) in the ore means that acid would not be consumed reacting with non-sulphide minerals. The consistent sulphide mineralogy all along the 5 km line of lode means that once an ISL acid extraction process is optimized in one area, it can then be applied in all other areas.

Bench test metallurgical studies are yet to be completed prior to field studies, including hydrogeological assessments, and before carrying out a preliminary feasibility assessment of using ISL to commercially exploit the Grasmere-Peveril mineralization.

No field activities have been carried out during the quarter.

ACTIVITIES NEAR COBAR

Pooraka ELs 6413, 7564 and 8424 – NSW - 100% interest
Gold, Silver and Base Metal Exploration

Contiguous ELs 6413, 8424 & 7564 (Figure 3) at Pooraka, 50 km east of Cobar, contain several gold and base metal target areas gleaned from earlier exploration results. In 2014, the Company undertook a ground based EM survey to seek hidden conductors. Two target areas, T1 and T2, were chosen in 2015, a ground based 200m x 200m geophysical survey was undertaken over those targets using the time domain electromagnetic (TDEM) technique. TDEM data were processed to define anomalies caused by conductors.

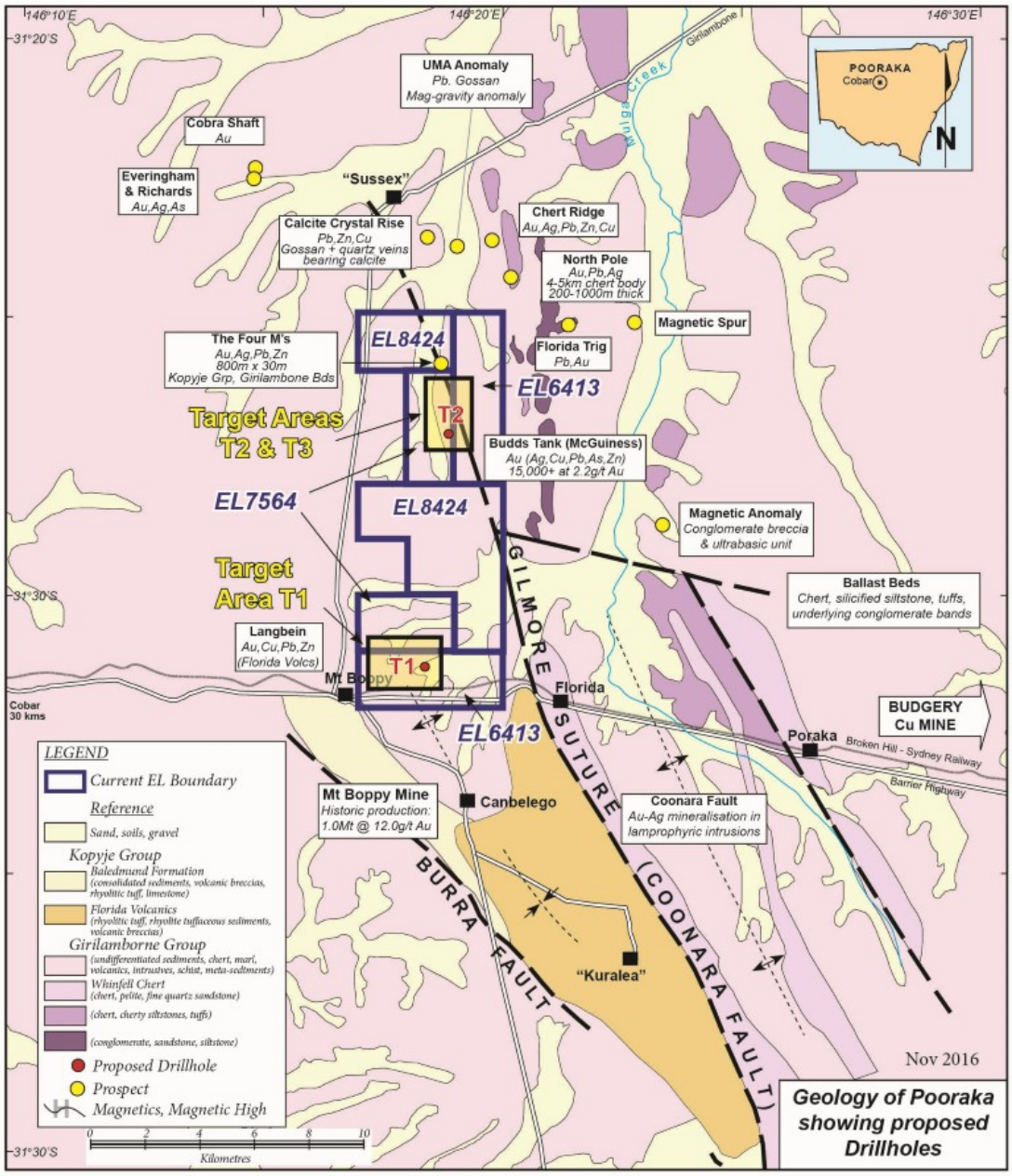

Figure 3 – Geology and Prospect Locations - Pooraka Project

Responses from the two conductor targets were modelled in 2016 and 2 deep, inclined, RC percussion holes were drilled in March 2017 to test the nature of their conductivities (Figure 4).

The conductors turned out to be formational in origin (caused by saline, clay-rich rocks) and not related to sulphide-gold mineralization.

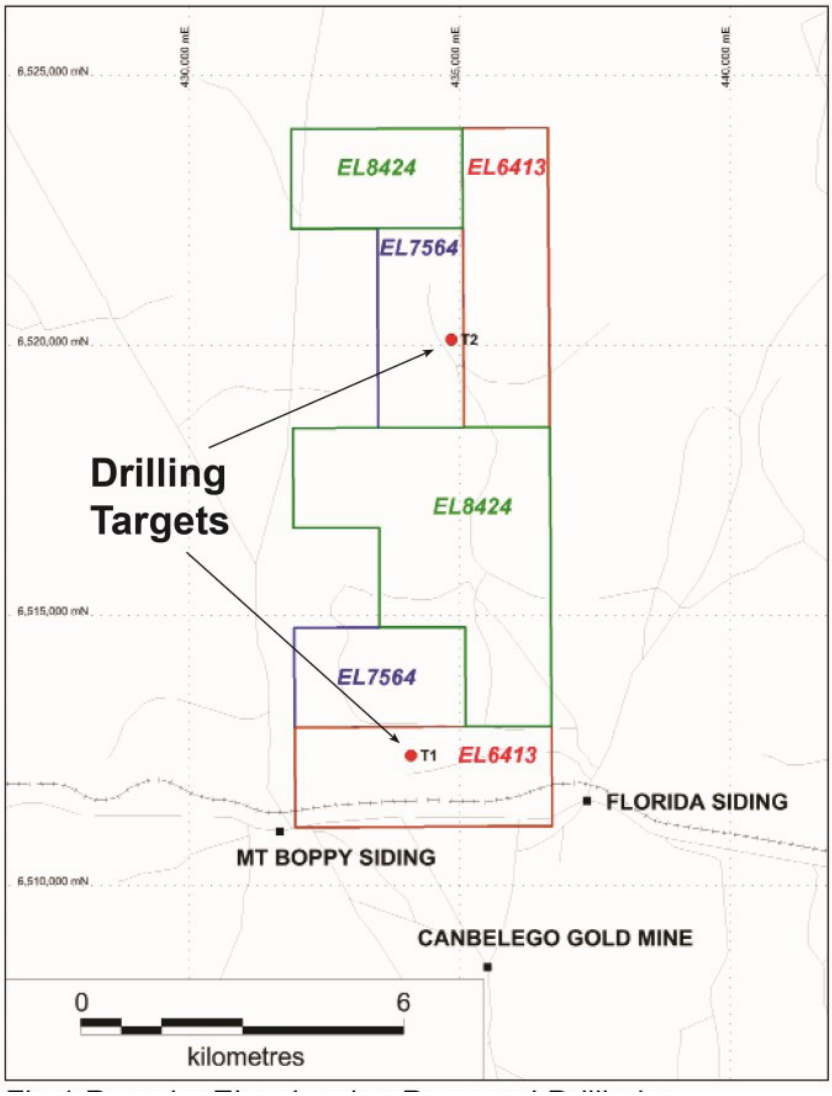

Figure 4 – Pooraka ELs showing Drill Holes 1 and 2

Other deep targets (bedrock Au anomalies) are known in the McGuiness-Buds Tank area (Sub-Area 2/3). At that location earlier explorers (1986-1992) discovered significant inferred shallow Au resource in three pods to a depth of 12m. Also, at Langbein West (Sub-Area 1) the Company's early (2010) bedrock sampling (shallow air core drilling) detected bedrock Au anomalies. The Company is assessing the risks and rewards of applying a cost effective method of using RC drilling rather than the TDEM geophysical technique applied previously to locate hidden low-grade sulphides at Pooraka.

No field activities have been carried out during the quarter.

NEW VENTURES

The Company has been assessing new projects for investment to expand its current portfolio of projects and that can provide opportunities to create value for shareholders. Investments in popular "Battery Minerals" in South America, USA, Africa and Australia were proposed to the Company. The Company has maintained a preference to invest in locations with low sovereign risks and good fiscal terms.

Subsequent to the March Quarter, on 9 April 2018 the Company announced to the ASX that it has signed a Binding Terms Sheet to acquire all the issued capital of New Base Metals Pty Ltd ("NBM") and therefore 100% of its projects, presently 7 exploration licence applications, as follows:

NSW: 100% interests in ELA5637, ELA5638 and ELA5639 ('Broken Hill Cobalt-Nickel Project').

QLD: 100% interests in EPM26813, EPM26814 and EPM26815 ('Greenvale Cobalt-Nickel Project'); and

100% interests in EPM26765 ('Mount Tewoo Nickel-Cobalt-Manganese Project').

The attraction of those projects is as follows:

- Approximately 628 km^2 of prospective cobalt ground across NSW and QLD to be acquired.
- Close proximity to Thackaringa Cobalt Project (EL6622, near Broken Hill in NSW) where Cobalt Blue Holdings Ltd has announced a major cobalt resource upgrade as well as partnership with multinational conglomerate LG International (see ASX:COB announcements).
- 20 kms from Sconi Project in QLD, considered as one of the most advanced cobalt projects in Australia operated by Australian Mines Limited (see ASX:AUZ announcements).
- 32 kms strike of potential host rock of Cobalt Nickel Laterite east of Mt. Cobalt in QLD operated by Aus Tin Mining Ltd (see ASX:ANW announcements).

The consideration for the proposed acquisition is the issue of 50 million fully paid ordinary shares to the vendor and a non-refundable payment of $40,000, which has been paid on 10 April 2018. 50% of the shares (25 million) are to be issued on completion of the transaction and the balance of 25 million shares in 7 instalments are to be issued as each exploration licence is granted by the Government. The first 25 million shares are to be escrowed voluntarily for 6 months. The Company is awaiting advice from the ASX on whether the transaction will require shareholders' approval under Listing Rules 11.1.2.

The Company agreed to place 40 million shares at $0.007 per share (being the volume weighted average price for the 5 days the shares traded on ASX prior to the date of execution of the Binding Terms Sheet) with the vendor and its nominees within 3 business days of the execution of the Binding Terms Sheet. Those shares have been issued on 11 April 2018 raising $280,000 to be applied for exploration and working capital. The vendors and their related parties have right to collectively subscribe for up to 50% of any equity capital raising conducted by the Company for the period of 12 months after the execution of the definitive acquisition agreement

The Company has until 6 May 2018 to complete its due diligence before it decides whether to proceed with the acquisition. An announcement will be made as soon as a decision is made.

LICENCES STATUS

Minerals tenements held at 31 March 2018 and acquired or disposed of during the quarter and their locations are as follows:

Tenement	Project Name	Location	Beneficial Interest	Expiry
EL 6400	Koonenberry	NSW	100%	1 April 2019
EL 6413	Pooraka 1	NSW	100%	17 May 2019
EL 7564	Pooraka 2	NSW	100%	17 June 2018
EL 8424	Pooraka 3	NSW	100%	17 February 2019

There were no tenements acquired or disposed of or change in beneficial interests under farm-in or farm-out agreements during the quarter

(The information in the report above that relates to Exploration Results is based on information compiled by Mr Joe Schifano, the principal of Geo Joe Pty Ltd and a member of The Australasian Institute of Mining and Metallurgy.

Mr Schifano has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activities which he is undertaking to qualify as a Competent Person as defined in the 2004 and 2012 Editions of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Schifano consents to the inclusion in this report of matters based on his information in the form and context in which it appears.)

Eric Sam Yue
Company Secretary

30 April 2018