

AVALON MINERALS LTD SEPTEMBER 2016 QUARTERLY REPORT

ASX: AVI

Gold Portfolio, Scandinavia (Avalon earning 80%)

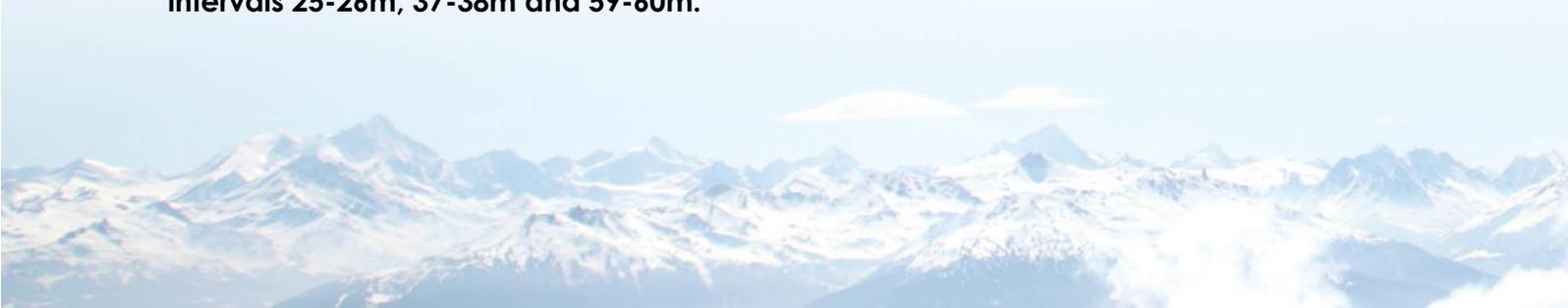
- Diamond drilling of 1,965.9m at Satulinmäki (7 holes) and Riukka (3 holes) gold prospects completed during September;
- Strong assay results returned on the first 4 diamond drill holes from Satulinmäki including:
 - 83m at 1.2 g/t gold from 137m in SMDD007,
 - including 9m at 7.3 g/t from 147m
 - 7.0m at 1.24g/t gold from 9m and 10.0m at 1.13 g/t gold from 33m, in SMDD001
 - 42m at 0.9 g/t gold from 112m in SMDD002
 - 2m at 10.5 g/t gold from 7m in SMDD005
- Results define a significant gold system with both narrow high grade intervals and wide lower grade intervals, all within 150m of surface, and open in all directions;
- Visible gold has been noted in several samples, the highest individual assay was 45.6 g/t over a 1-metre sample in SMDD007 from 150-151m;
- Avalon (100%) is building a strong land position over areas considered to be prospective for gold in Finland.

Lithium Portfolio, Scandinavia (Avalon subsidiary Scandian Metals earning 80%)

- Diamond drilling at Kietyönmäki commenced in August, 2016;
- 1,172m completed over 6 drill holes confirming a high grade spodumene bearing pegmatite dyke swarm;
- KMDD001 returned high grade lithium assays including 24.2m at 1.44% Li₂O from 17.9m downhole;
- Peak 1m interval assays within KMDD001 returned up to 2.5% Li₂O over intervals 25-26m, 37-38m and 59-60m.

REGISTERED OFFICE

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26 October 2016

ASX ANNOUNCEMENT



Viscaria Copper Project, Sweden (Avalon - 100%)

- The Viscaria Copper Project Environmental and Social Impact Assessment (ESIA) process is progressing, and represents the critical path to final permitting;
- Work continues on increasing the scale of the Viscaria Copper Project.

Corporate Highlights

- A\$1.7 million in cash at 30 September 2016;
- Placement of approximately \$1.9M to new sophisticated investors and existing cornerstone shareholders completed during the quarter;
- Legal dispute with Hannans settled.

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Exploration and Development Activities

In Finland Avalon, through subsidiary Scandian Metals Pty Ltd (Scandian), entered into an earn-in agreement with Canadian company Nortec Minerals Corp. over several approved Exploration Claims and one Exploration Reservation application in southern Finland. The Claims and Reservation are prospective for lithium and gold.

Gold Portfolio

Tammela Gold Opportunity (Avalon earning 80%)

The Nortec earn-in agreement includes two defined gold opportunities, Satulinmäki and Riukka, held within the claim areas. All historical drilling is shallow and has only tested to ~70m below surface. Historical assays from diamond drilling by the Finnish Geological Survey (GTK) **included 22m @ 3.6 g/t Au from 50 metres** (hole 391) at Satulinmäki.

Drilling by Avalon was undertaken during September with a total of seven diamond drill holes completed at Satulinmäki, with all holes intersecting altered and structurally complex zones coincident with the interpreted positions of gold lodes from historical drilling results. A further three diamond drill holes have also been drilled at Riukka.

Assay results from 4 of these holes (SMDD001, 002, 005 and 007) at Satulinmäki have been received with the remainder expected to be available to report in Q4, 2016.

- **7.0m at 1.24g/t gold from 9m, 10.0m at 1.13 g/t gold from 33m, and 1.0m at 15.15g/t gold from 57m in SMDD001**
- **42m at 0.9 g/t gold from 112m in SMDD002**
- **2m at 10.5 g/t gold from 7m in SMDD005**
- **83m at 1.2 g/t gold from 137m in SMDD007, including 9m at 7.3 g/t from 147m**

The results from Avalon's drilling, together with the historical drilling results of the Finnish Geological Survey, clearly show a large gold system of broad mineralised zones and sub-parallel narrow veins. The system is open in all directions, and has a length of at least 400m, a vertical extent of at least 150m, and ranges up to approximately 50m thick.

The combination of thick lower grades and narrow higher grades at Satulinmäki represents significant opportunities for follow-up drilling and consideration of development options.

A detailed geophysical Induced Polarisation ("IP") program is currently being planned and is expected to commence in November. Follow-up drilling is expected to commence in December.

At Riukka, located 4km to the south-east, Avalon has completed 3 diamond drill holes and these are currently being logged and sampled. Specific mineralised intervals have been preferentially sampled and results from these samples are expected within the next few weeks. The holes have intersected quartz veins down-dip from quartz vein hosted gold mineralised intervals drilled by the Finnish Geological Survey and containing up to 2m at 16.6 g/t gold. Assays are pending.

Other Gold Opportunities (Avalon 100%)

Based on Avalon's regional assessment of gold prospectivity in southern Finland several applications have been lodged for Exploration Reservations covering known small gold occurrences. These areas are held 100% by Avalon and will be explored systematically.

Lithium Portfolio**Tammela (Somero) Lithium Project (Scandian earning 80%)**

The Nortec earn-in agreement area includes the Kietyönmäki lithium occurrence which was discovered by the Finnish Geological Survey (GTK) in the mid-1980's. Lithium mineralisation at Kietyönmäki is hosted in a spodumene-bearing pegmatite dyke swarm. The Kietyönmäki lithium pegmatite deposit was drilled by GTK during the period 1987 and 1988. Seventeen shallow diamond drill holes were completed to test down to 70m below surface across three traverses, including one traverse of very shallow holes to identify bedrock.

A total of six diamond drill holes have been drilled by Avalon during the quarter at Kietyönmäki and have confirmed a high grade spodumene bearing pegmatite dyke swarm.

Assay results received to date include:

- KMD0001 - 42.1m at 1.05% Li₂O from 17.9m downhole
 - Including 24.2m at 1.44% Li₂O from 17.9m downhole
 - Including 9m at 2.00% Li₂O from 29m downhole

These high grade results, which are consistent with our expectations, confirm that the Kietyönmäki Lithium Project has the potential to evolve into a significant lithium project.

Geological and assay results from all six diamond drill holes are to be interpreted and further drilling planned. The geological results from holes KMDD001 and KMDD006 suggest continuation of a thickened pegmatite dyke to the south-east and this trend is expected to be tested with future drilling. Further work is required to better understand the geology, however initial results are encouraging.

Kaustinen Lithium Project

Avalon, through Scandian, has been granted an Exploration Reservation covering 299 km², in the Kaustinen area within the Central Ostrobothnia district, home to several known lithium pegmatites some of which are at an advanced stage of Pre-Feasibility Study and held by private Finnish company Keliber Oy.

Avalon has also applied for smaller Exploration Permit applications directly adjacent to 2 defined lithium deposits.

Seinäjoki Lithium Project

One Exploration Reservation has been granted to Scandian over an area of 206 km² covering a documented lithium pegmatite occurrence, and at the southern end of the regional geological province that includes the Kaustinen district in the north. Reconnaissance exploration will now be undertaken in this area.

Ladum Lithium Project

In Sweden Avalon, through subsidiary Scandian Metals Pty Ltd (Scandian), has entered into a Heads of Agreement with private Australian interests to explore three approved Exploration Concessions and an application for an Exploration Concession in Vasternorrlands, collectively referred to as the Ladum Project.

The Ladum Project covers areas within a regional pegmatite district that has seen minor historical exploration primarily for tin. Most of this exploration was undertaken by LKAB in the 1980's. The exploration included geophysics, till-sampling, and general geological mapping and investigations. This work resulted in a number of tin, niobium, tantalum and lithium bearing pegmatites being defined.

Data compilation and an initial field program on the Ladum Project have been completed. Results will be reviewed and further mapping and sampling is expected to be undertaken in the northern hemisphere spring (Q2, 2017).

Tenements

During the quarter, the following tenements were approved, or applications lodged in Sweden and Finland, by Avalon's 80% owned subsidiary Scandian Metals Pty Ltd (through its 100% owned Swedish subsidiary Scandian Metals AB):

- Fannbyasen nr 1 Exploration Concession, Vasternorrlands, Sweden – Granted
- Fannbyasen nr 2 Exploration Concession, Vasternorrlands, Sweden – Application
- Niinimäki Exploration Reservation, Somero, Finland - Granted
- Ypäjä Exploration Reservation, Somero, Finland - Application
- Kaila Exploration Reservation, Somero, Finland - Granted
- Loulus Exploration Reservation, Kaustinen, Finland - Granted
- Kivijärvi Exploration Reservation, Seinäjoki, Finland – Granted
- Kukonharja Exploration Reservation, Somero, Finland – Application
- Paimio Exploration Reservation, Somero, Finland – Application



Viscaria Copper Project

Environmental and Social Impact Assessment (ESIA) and Permitting

The Viscaria ESIA process is being progressed. These activities 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.

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

Viscaria Scoping Study

Additional drilling is planned on proposed D Zone underground areas, and proposed A and B Zone open pit areas. A resource update will occur at the completion of this drilling, together with an update to the Scoping Study.

Corporate

Cash Resources - The Company's unaudited cash position for 30 September, 2016 is A\$1.7 million.

Capital Raising

On 6 July 2016 the Company announced a placement to raise approximately A\$1.9 million. Proceeds from the equity raising were to fund:

- A 3,000m diamond drilling programme at the Kietymäki lithium occurrence and Satulinmäki gold occurrence, with the objective of defining a maiden JORC Resource;
- Other exploration activities on the Company's Swedish and Finnish lithium exploration assets including geophysics, geochemistry and metallurgical test work;
- Progressing the Environmental and Social Impact Assessment ('ESIA') in relation to its Viscaria Copper Project, Sweden; and
- Working capital, including corporate costs to manage the exploration programme and costs of the offer.

The placement consisted of shares at 1.6 cents per share, and one (1) attaching option (quoted on ASX) for each share subscribed in the placement, with the options having an exercise price of 3 cents each and expiry date of 3 years from the date of issue.

Tranche 1 of the placement is the issue of 94,525,000 shares to new sophisticated investors under the Company's available capacity, to raise approximately A\$1.5 million.

Following approval obtained at a General Meeting on 23 August 2016, 42,812,500 Tranche 2 shares were issued to existing long term cornerstone shareholders in Europe and the UK as well as Avalon's Chairman and Managing Director under the same terms as Tranche 1.

142,337,500 quoted options were issued on 29 August 2016.



Discovery Zone Update

As announced on 9 October 2015, the Heads of Agreement ('HoA') for the acquisition of the Discovery Zone copper-iron deposit has not been extended. Since the exploitation concession application had not been granted by 8 October 2015 (being two years from the initial payment), the initial A\$1 million payment made by Avalon was refundable by Hannans Ltd ('Hannans'), and a Refund Notice was issued. The 90 day period for Hannans to make the refund payment expired on 7 January 2016.

Avalon filed proceedings in the WA Supreme Court seeking to recover all sums due under the HoA. Hannans filed a defence and counterclaim for \$9 million. Hannans also applied for summary judgment.

The summary judgement hearing was held on 6 September and was dismissed by the WA Supreme Court with costs awarded to Avalon.

The Board and management of Avalon recognised that the legal proceedings would likely be a long and drawn out process, taking up management time and incurring substantial legal fees with no guarantee of success. If litigation was proceeded with, and Avalon's claim was successful, the HoA included a clause that could have allowed Hannans to repay the \$1m initial payment in assets of equivalent value, likely limited to the assets of Hannans then subsidiary Kiruna Iron AB. Avalon did not consider that the assets of Kiruna Iron AB held any value in Avalon's hands as they were not aligned with our strategy or existing portfolio of assets.

As a result, Avalon settled the dispute (and the HoA) on 28 September 2016, and a Deed of Termination, Settlement and Release with Hannans was executed, settling all outstanding disputes and litigation between Avalon and Hannans without any admission of liability by either party.

Research and Development Claim

During the June quarter, Innovation Australia undertook an internal review of its earlier decision that Avalon's Research and Development ("R&D") activities for the years ended 30 June 2013 and 30 June 2014, were deemed to not be core or supporting activities.

Representatives of Innovation Australia met with Avalon staff and advisors to obtain further details on the R&D activities and visited the laboratory where experimentation was being conducted.

On 25 August 2016, the final result and decision of the review was received which found that the majority of the activities undertaken during the 2013 and 2014 years were eligible supporting activities. The supporting activities that have been deemed as non-eligible have been quantified and amended tax returns for the 2013 and 2014 years will be lodged shortly. The 2016 R&D claim will also be lodged shortly which will more than offset the amount deemed to be non-eligible from prior years.

Shareholder Information

As at 30 September 2016, the Company had 520,439,436 fully paid ordinary shares on issue and 749 shareholders.

Notes Specific – September 2016 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:

Avalon Minerals to Complete Placement	6/07/2016
Notice of General Meeting	21/07/2016
Drilling to Commence High Grade Kietyonmaki Lithium Project	26/07/2016
Gold Exploration Satulinmaki Finland	1/08/2016
Drilling Commenced at High Grade Kietyonmaki Lithium Project	17/08/2016
Cleansing Prospectus	24/08/2016
AVI Presentation Mining 2016 Conference	25/08/2016
Drilling Commenced Satulinmaki High Grade Gold Project	6/09/2016
High Grade Lithium Assay Results Kietyonmaki Lithium Project	12/09/2016
Gold Assays from First Drill Hole at Satulinmaki Prospect	22/09/2016
Large Gold System Identified at Satulinmaki Prospect	17/10/2016

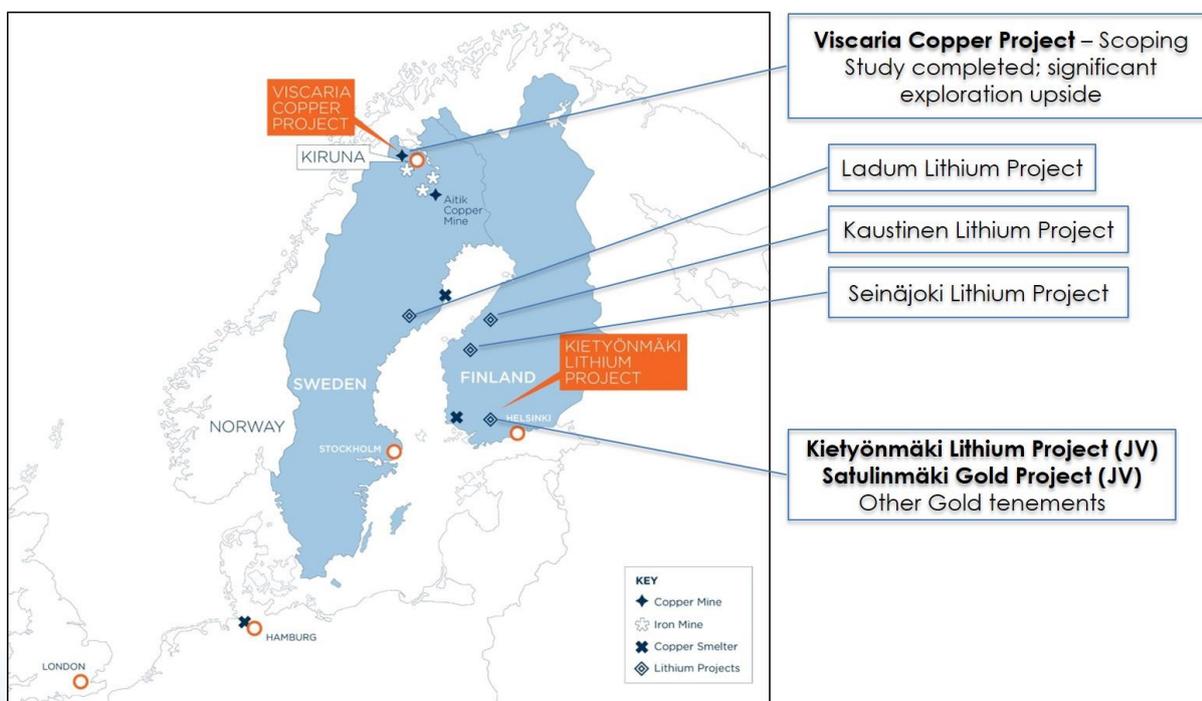


Figure 1: Project Locations

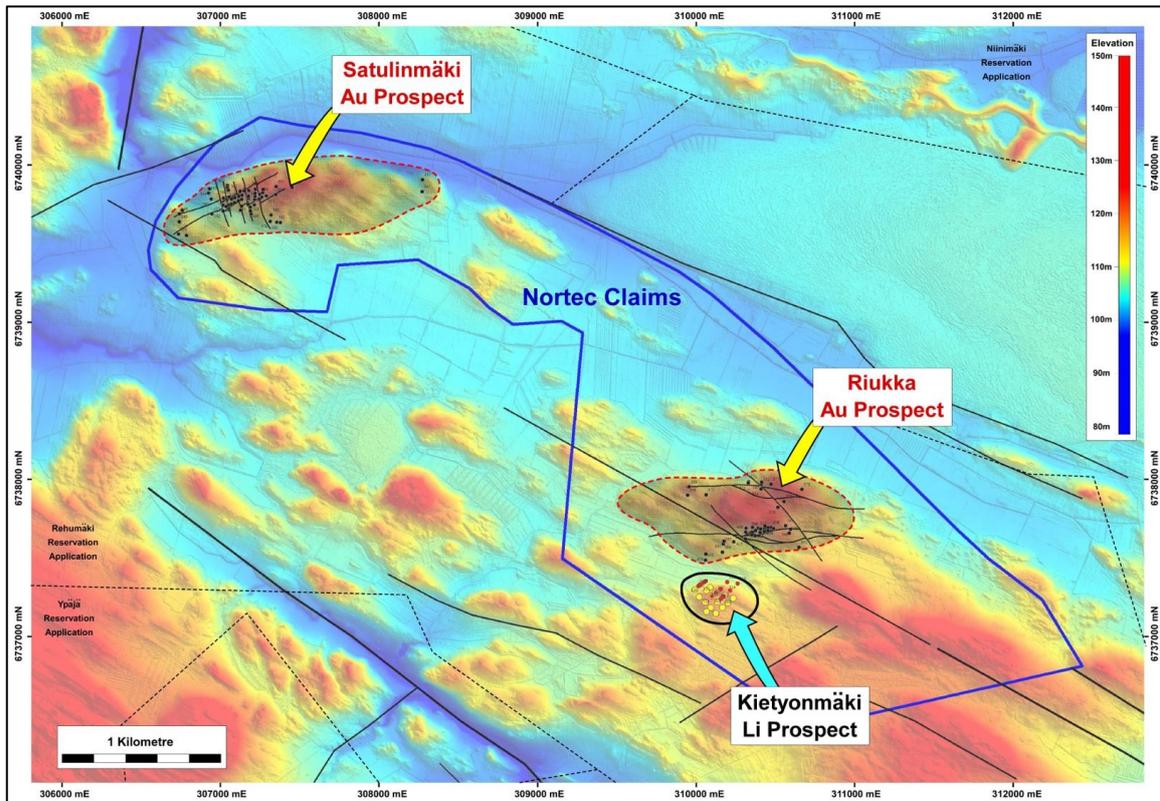


Figure 2: Location map of Satulinmäki and Riukka gold prospects, and the Kietyönmäki lithium prospect.



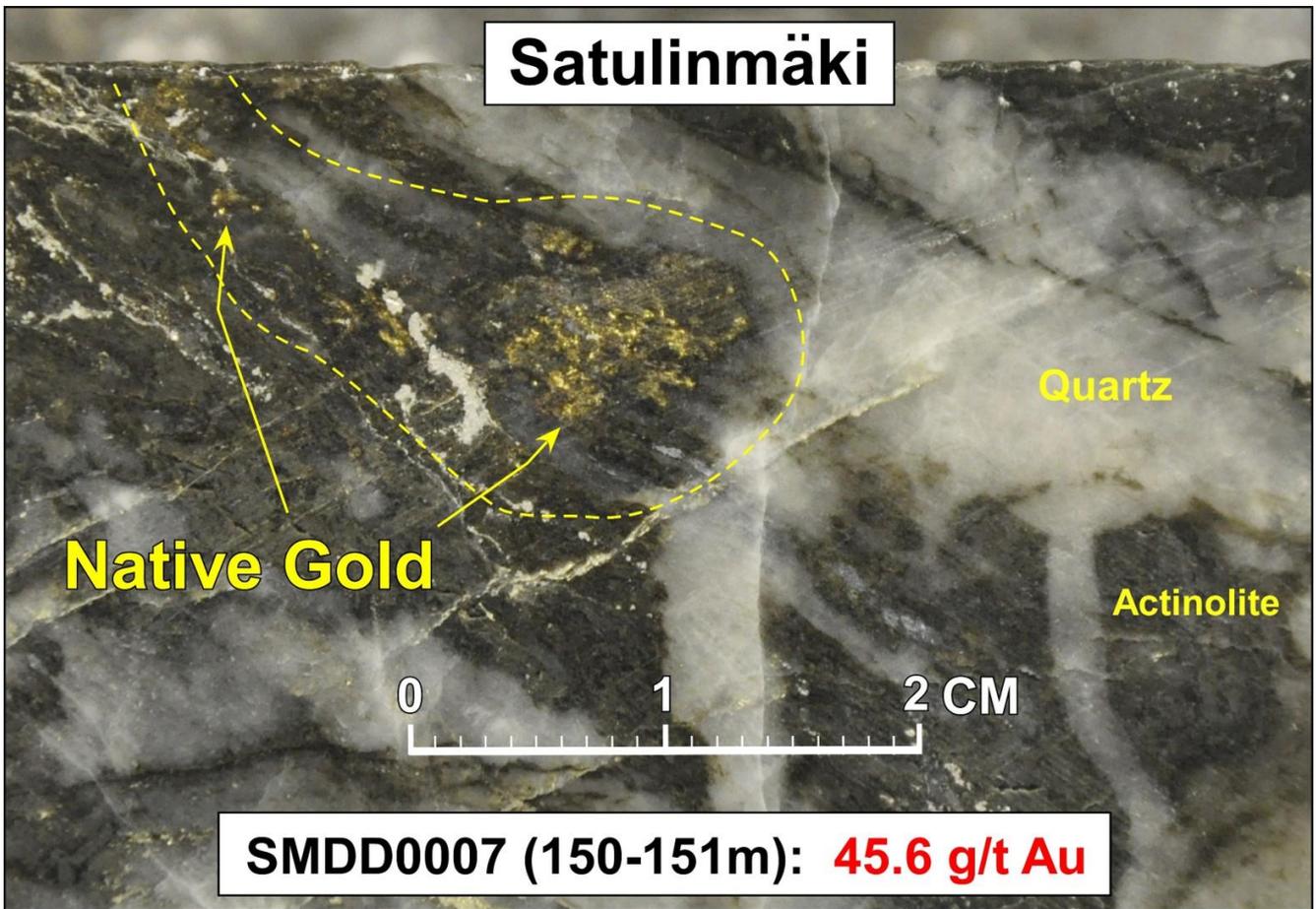


Figure 3: Visible gold in hole SMDD007 at 150m



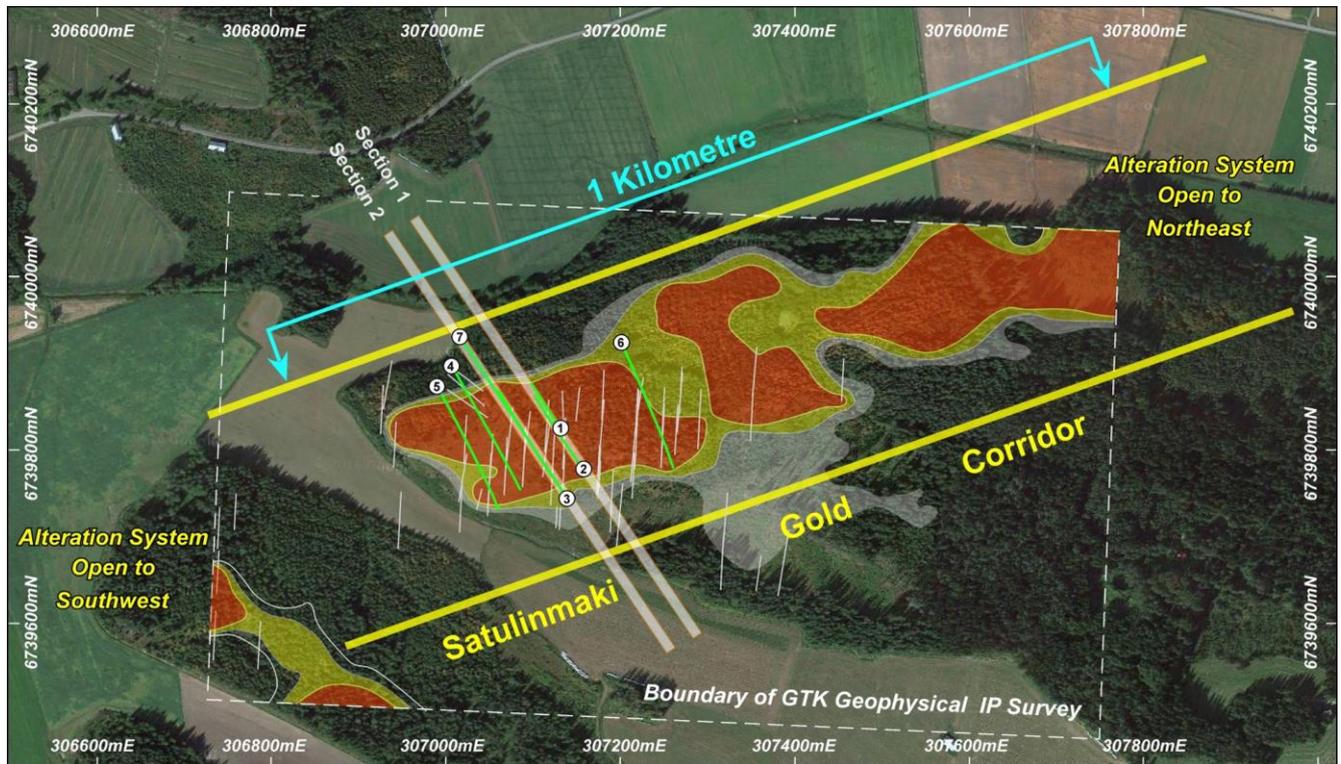


Figure 4: Satulinmäki gold prospect showing the location of drilling in the south-west portion of the IP anomaly. The coloured contours are IP chargeability which is interpreted to map sulphide distribution associated with the alteration envelope of the gold mineralisation. The backdrop image shows the timbered area where the gold mineralisation occurs.

Locations of cross sections for figures 5 and 6 are shown. Historical holes are shown with white traces. Completed holes SMDD001 to SMDD007 are shown in green.



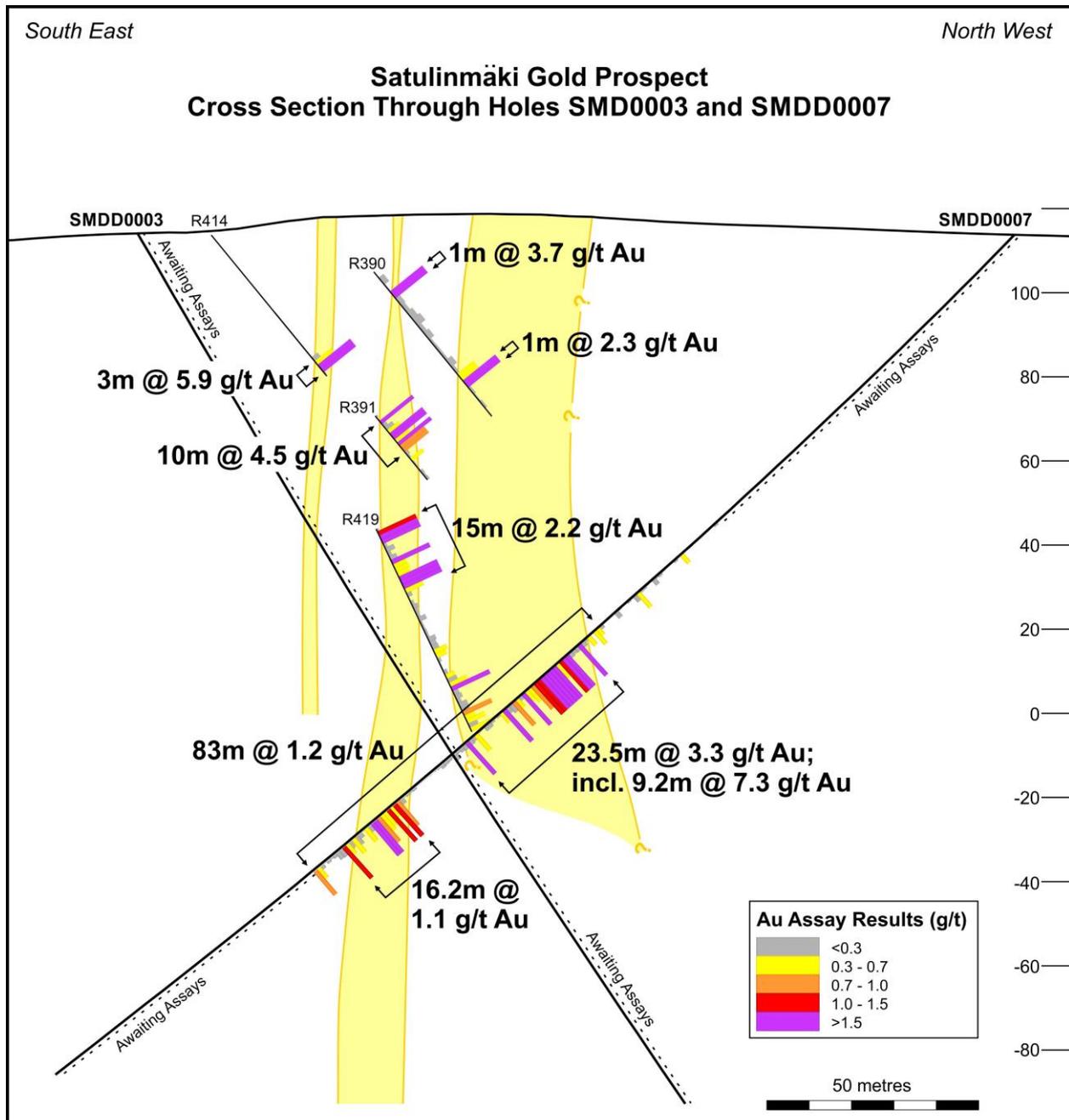


Figure 5: Cross section through drill holes SMDD0003 and 007 at Satulinmäki gold prospect.



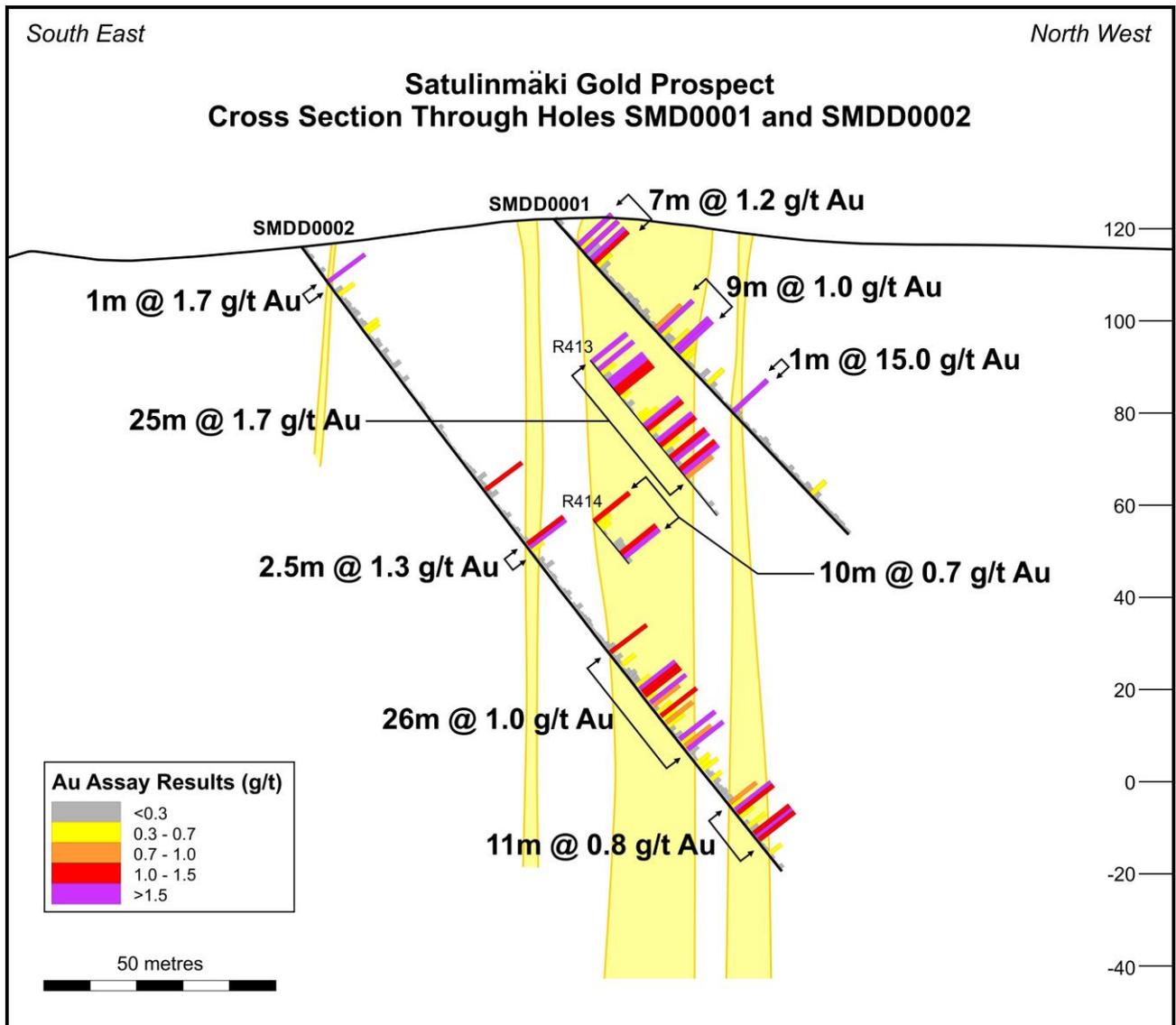


Figure 6: Cross section through drill holes SMDD0001 and 002 at Satulinmäki gold prospect.



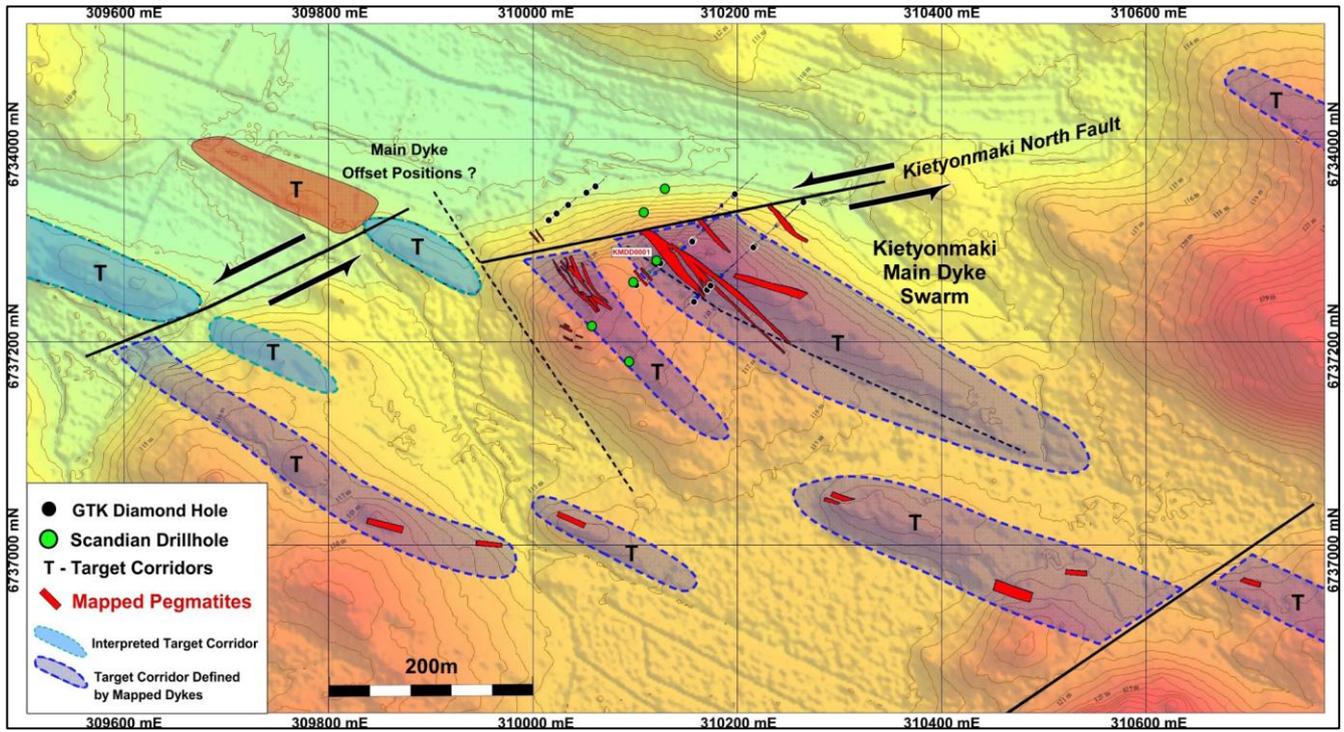


Figure 7: Kietyönmäki lithium project. Current interpretation of pegmatite dyke distribution, target areas and fault offsets. Image background is topography.



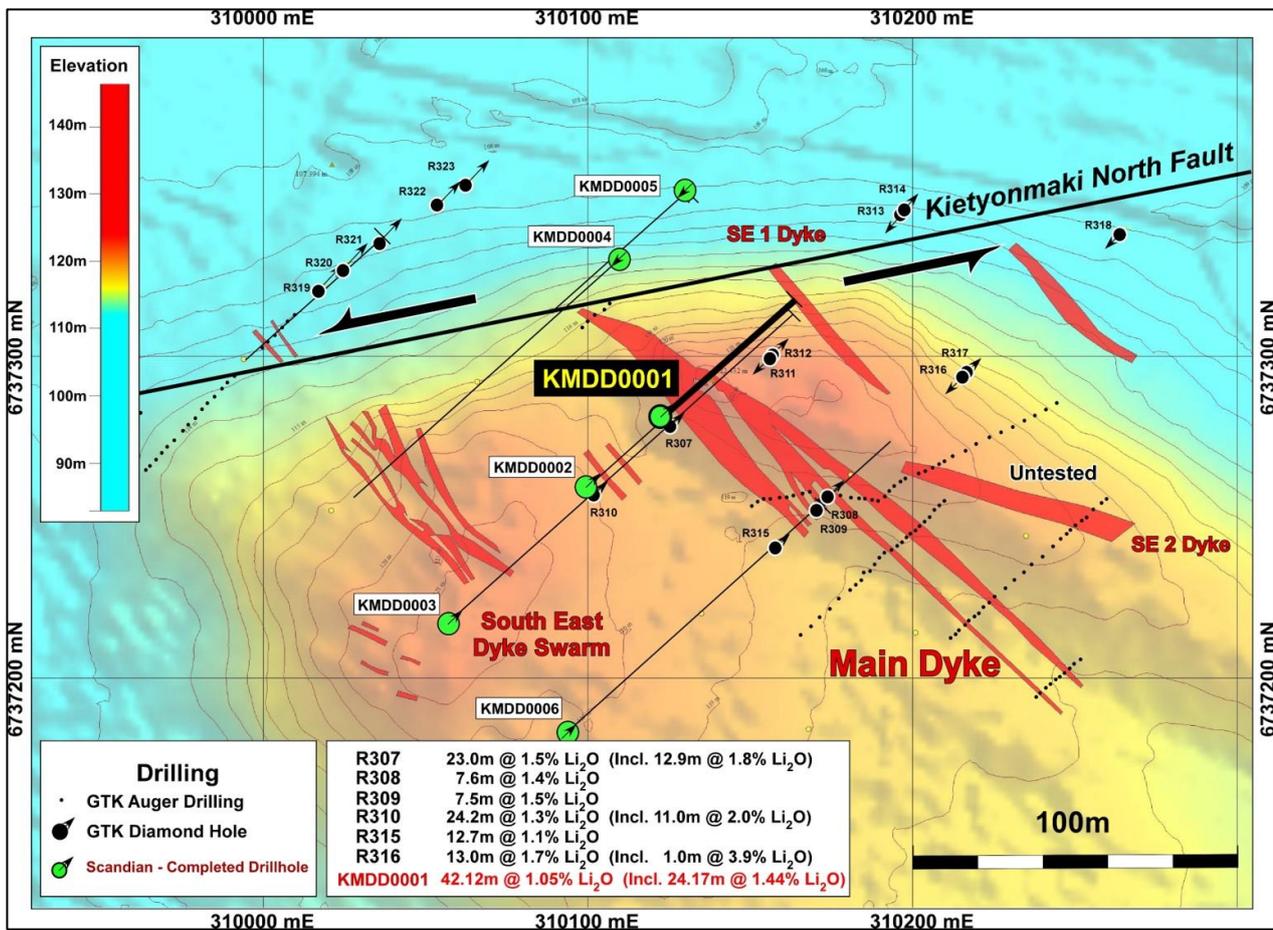


Figure 8: Plan view of Kietyönmäki lithium deposit showing collar positions for KMDD001 – 006 in green. The red domains are the outcrop positions of spodumene bearing lithium pegmatites. The background image is topography. The Kietyönmäki North Fault is interpreted to offset the main pegmatite dyke to the west. Figures 9 and 10 are cross sections on the lines of holes KMDD001-003, and KMDD006.

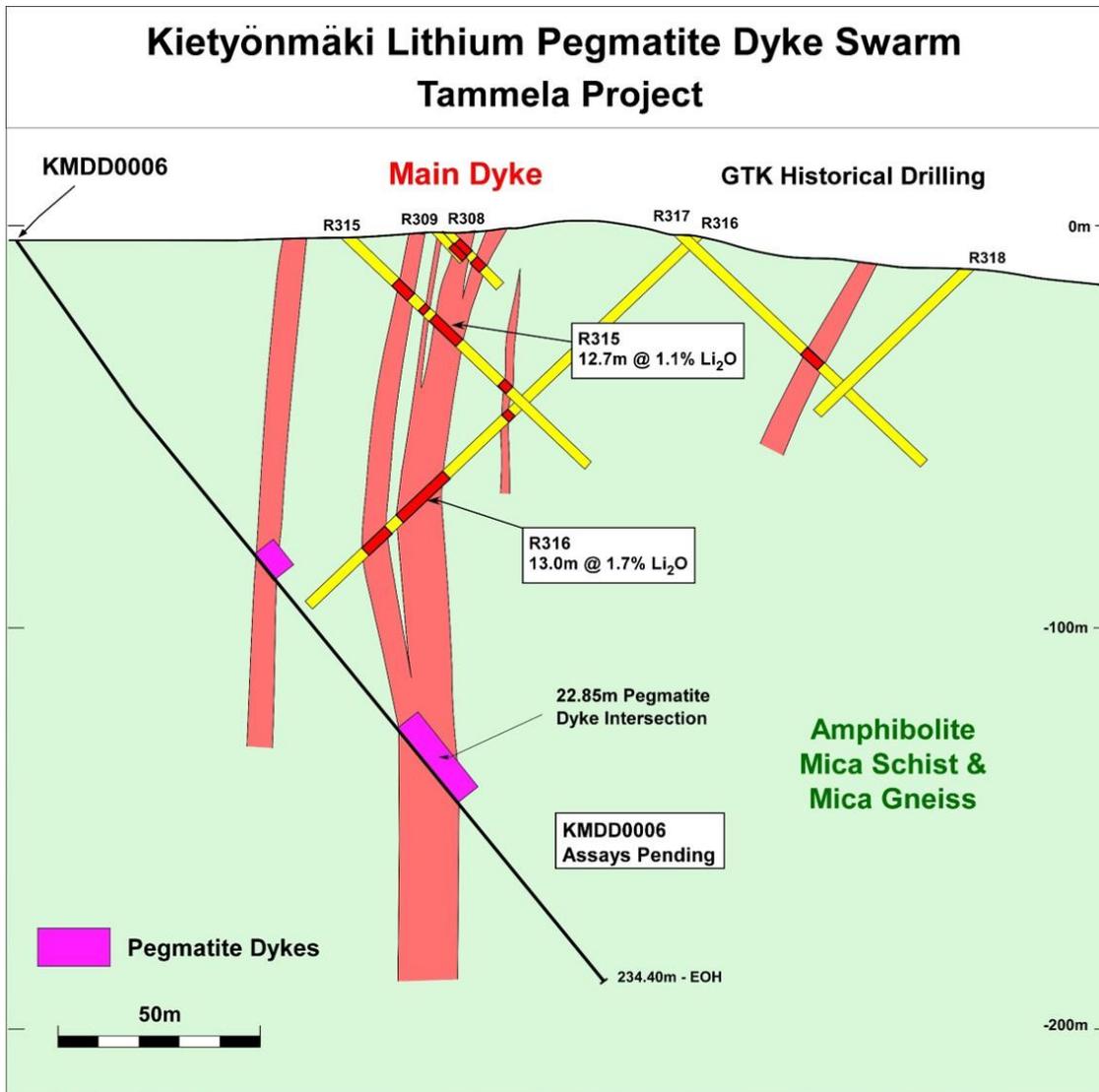


Figure 10: Cross section showing the interpreted distribution of lithium pegmatite dykes in recently completed drill hole KMDD0006, and historical holes drilled by the Finnish Geological Survey (R308-309, 315-318).



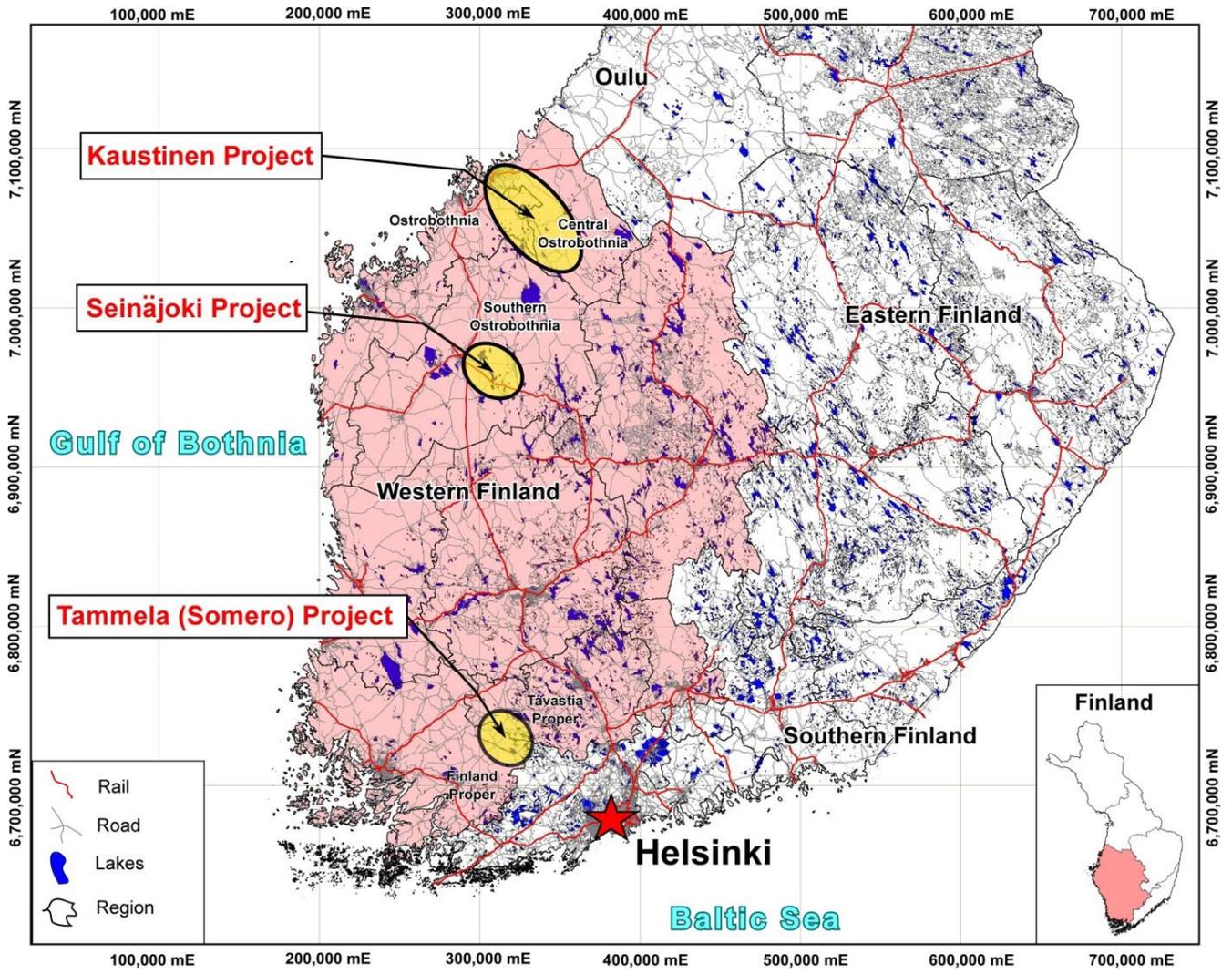


Figure 11: Locations of lithium projects in Finland within the Avalon portfolio.



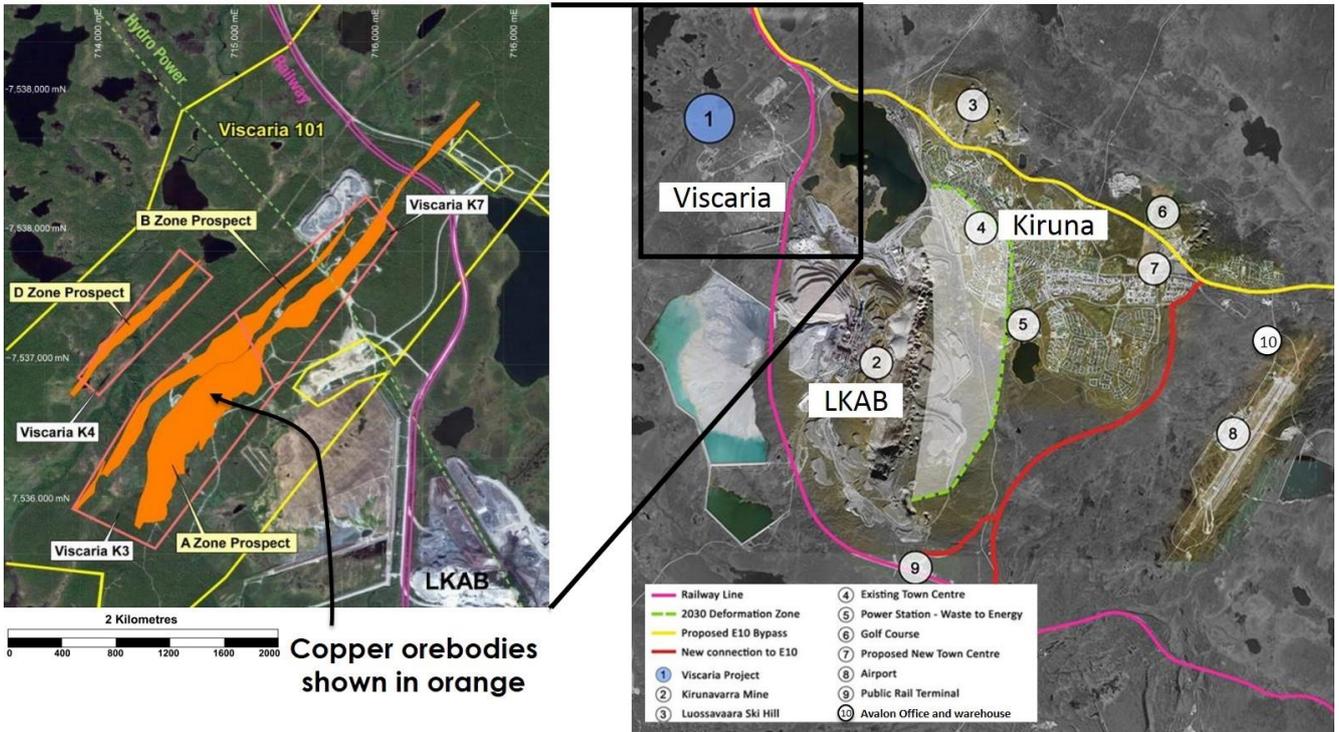


Figure 12: Location of the Viscaria Copper Project.



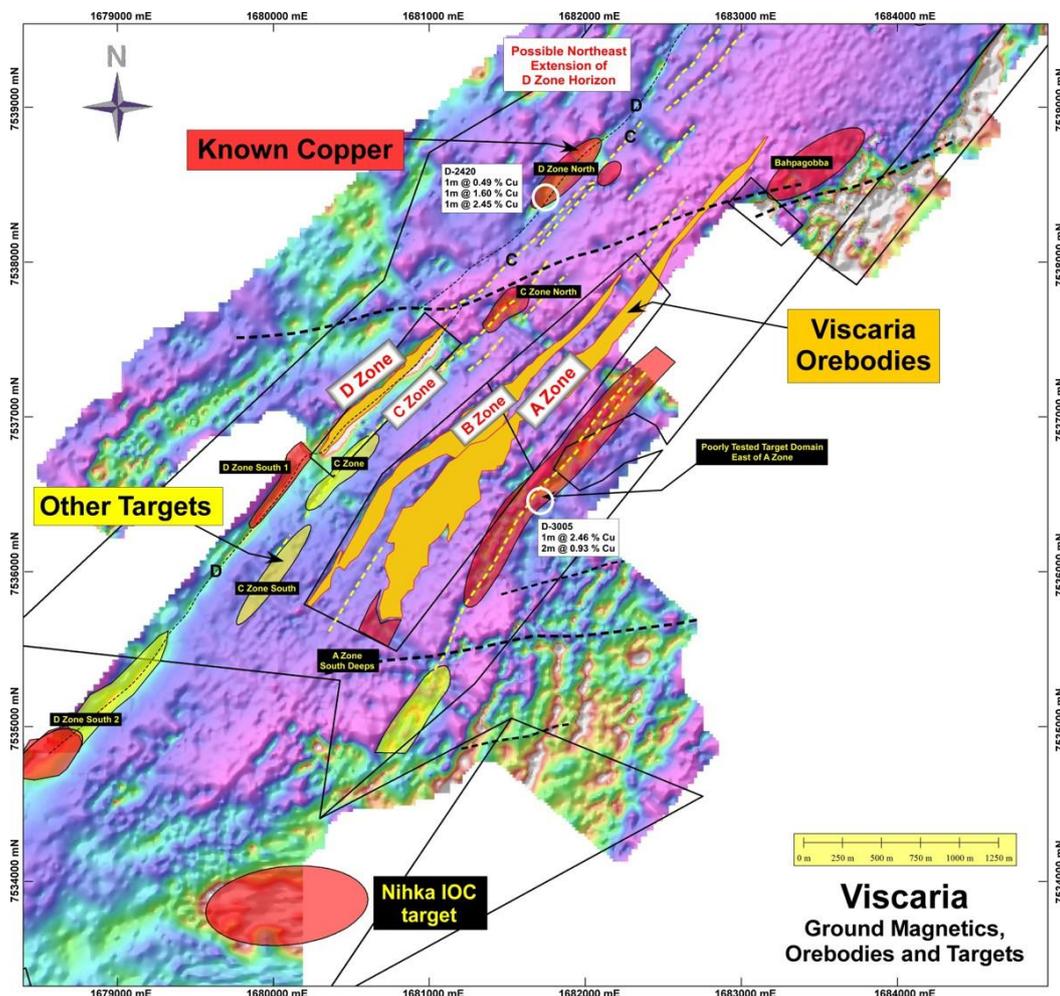


Figure 13: Location of targets relative to the Viscaria Copper Project development area (A, B and D Zones). Background image is airborne magnetic data.

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 Avalon Minerals 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.

TENEMENT SCHEDULE

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

Gold Tenements

Tenement Holder	Tenement Name	Location	Status	Avalon Ownership
Tammela Minerals Oy	Somero 1-12	Somero, Finland	Granted	0%*
Tammela Minerals Oy	Rehumäki	Somero, Finland	Application	0%*
Scandian Metals AB	Niinimäki	Somero, Finland	Granted	100%
Scandian Metals AB	Kaila	Somero, Finland	Granted	100%
Scandian Metals AB	Ypäjä	Somero, Finland	Application	100%
Scandian Metals AB	Kukonharja	Somero, Finland	Application	100%
Scandian Metals AB	Paimio	Somero, Finland	Application	100%

Lithium Tenements

Tenement Holder	Tenement Name	Location	Status	Avalon 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	Application	80%
Scandian Metals AB	Niinimäki	Somero, Finland	Granted	80%
Scandian Metals AB	Rehumäki	Somero, Finland	Application	0%*
Scandian Metals AB	Kaila	Somero, Finland	Granted	80%
Scandian Metals AB	Loulus	Kaustinen, Finland	Granted	80%
Scandian Metals AB	Kivijärvi	Seinäjäki, Finland	Granted	80%
Tammela Minerals Oy	Tammela 1-3	Somero, Finland	Granted	0%*
Scandian Metals AB	Hietahauta	Kaustinen, Finland	Application	80%
Scandian Metals AB	Viitala	Kaustinen, Finland	Application	80%

Copper Tenements

Tenement Holder	Tenement Name	Location	Status	Avalon Ownership
Avalon Minerals Viscaria AB	Viscaria No 1	Norrbottn, Sweden	Granted	100%
Avalon Minerals Viscaria AB	Viscaria No 2	Norrbottn, Sweden	Granted	100%
Avalon Minerals Viscaria AB	Viscaria No 101	Norrbottn, Sweden	Granted	100%
Avalon Minerals Viscaria AB	Viscaria No 107	Norrbottn, Sweden	Granted	100%
Avalon Minerals Viscaria AB	Viscaria No 112	Norrbottn, Sweden	Granted	100%
Avalon Minerals Viscaria AB	Viscaria No 113	Norrbottn, Sweden	Granted	100%
Avalon Minerals Viscaria AB	Huornas No 1	Norrbottn, Sweden	Granted	100%
Avalon Minerals Viscaria AB	Huornas No 2	Norrbottn, Sweden	Granted	100%
Avalon Minerals Viscaria AB	Viscaria K No 3	Norrbottn, Sweden	Granted	100%
Avalon Minerals Viscaria AB	Viscaria K No 4	Norrbottn, Sweden	Granted	100%
Avalon Minerals Viscaria AB	Viscaria K No 7	Norrbottn, Sweden	Granted	100% ^x
Avalon Minerals Viscaria AB	Nihka East	Norrbottn, Sweden	Granted	100%
Avalon Minerals Adak AB	Rakkurijärvi No 1	Norrbottn, Sweden	Lapsed	0% #
Avalon Minerals Adak AB	Rakkurijärvi K No 1 and 2	Norrbottn, Sweden	Application Withdrawn from Processing	0% #
Avalon Minerals Adak AB	Goddevarri	Norrbottn, Sweden	Granted	100%

[^]Transfer of tenements from Orezone AB to Scandian Metals AB granted in September 2016 quarter

^{*}Subject to earn-in joint venture with Nortec Minerals Corp. (Tammela Minerals Oy)

^xThe 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.

[#]Following dismissal of the appeal against the Swedish Mines Inspectorate decision to remove the Exploitation Concession Application from processing, and the execution of the Deed of Termination, Settlement and Release with Hannans, Avalon no longer holds any interest in these tenements.

DIRECTORY

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Stock Exchange Listing

Australian Stock Exchange

ASX Code: AVI

Investor Information Contacts:

Mr Gavin Leicht - Company Secretary
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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: 520,439,436 (AVI)
Quoted Options: 142,337,500 (AVIO)*
(at 30 September 2016)

* 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

Company Secretary:

Gavin Leicht

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

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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

Avalon Minerals Limited

ABN

68 123 184 412

Quarter ended ("current quarter")

30 September 2016

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	(512)	(512)
(b) development		
(c) production		
(d) staff costs	(290)	(290)
(e) administration and corporate costs	(199)	(199)
1.3 Dividends received (see note 3)		
1.4 Interest received	4	4
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds	125	125
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(872)	(872)

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	2,100	2,100
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	(151)	(151)
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	1,949	1,949

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	631	631
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(872)	(872)
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)	1,949	1,949
4.5 Effect of movement in exchange rates on cash held	17	17
4.6 Cash and cash equivalents at end of period	1,725	1,725

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	180	180
5.2 Call deposits	1,545	1,545
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)	1,725	1,725

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	86
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	

Directors remuneration includes Managing Director salary

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	

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	700
9.2 Development	
9.3 Production	
9.4 Staff costs	285
9.5 Administration and corporate costs	145
9.6 Other (provide details if material)	
9.7 Total estimated cash outflows	1,130

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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	Rakkurijärvi K nr 1 and K nr 2, Norrbotten, Sweden;	Exploitation Concession application removed from processing.	100%	0%
		Rakkurijärvi nr 1, Norrbotten, Sweden;	Exploration concession associated with above, lapsed.	100%	0%
10.2	Interests in mining tenements and petroleum tenements acquired or increased	Fannbyasen nr 1, Västernorrlands, Sweden;	Exploration Concession granted	0%	80%
		Niinimäki Exploration Reservation, Somero, Finland;	Exploration Reservation granted	0%	100%
		Kaila Exploration Reservation, Somero, Finland;	Exploration Reservation granted	0%	100%
		Loulus Exploration Reservation, Kaustinen, Finland;	Exploration Reservation granted	0%	80%
		Kivijärvi Exploration Reservation, Seinäjoki, Finland	Exploration Reservation granted	0%	80%

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: 26 October 2016

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.