



19 October 2016

PROPOSED ISSUE OF SECURITIES

The Company has secured verbal commitments for the placement of 26,933,334 ordinary shares by way of a placement to sophisticated investors, in accordance with Listing Rule 7.1.

The Company can issue up to a maximum of 28,082,515 ordinary shares under listing rule 7.1.

Any shares issued will rank equally with all other existing shares.

The issue price of the shares is at 1.5 cents per share, calculated at a 10% discount to the VWAP of trades over the last 15 traded days, which will raise the Company \$404,000, prior to raising costs.

The purpose of the issue is to provide funds for ongoing exploration and administration costs.

In accordance with Listing rule 7.1, the 15% rule, this issue will require future shareholder approval.

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