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HARDEY
RESOURCES LIMITED

ASX ANNOUNCEMENT 31July 2018

Quarterly Activities Report
Quarter Ended 30 June 2018

Highlights:

- **Acquisition of the high-grade historic Nelly Vanadium Mine in South America**
- **Acquisition of six highly prospective vanadium projects in Queensland and the Northern Territory**
- **Drilling and modelling planned for Lloyds Copper Mine**
- **Appointment of director Mr Robert McCauley**
- **Shift in corporate focus to capitalise on rising demand in renewable battery sector**

The Board of Hardey Resources Limited (**Hardey** or **the Company**) (ASX: HDY) provides the following commentary and Appendix 5B for the Quarter ended 30 June 2018.

Nelly Vanadium Mine

Reflecting a shift in the Board's strategic focus, tailored to capitalise on growing demand from the renewable battery sector, Hardey's geology team are now conducting final due diligence on Nelly Vanadium Mine (NVM) in San Luis province, Argentina. Subsequent to the period close, on 3 July 2018, Hardey was granted a 40-day option to proceed with acquiring NVM (refer Corporate section below for details). The identification of this opportunity and initial due diligence on the project was conducted by Hardey's geology team with the vital assistance of its consultants during the quarter. This added significant unexpected corporate costs during the quarter, as the Board needed to be agile in responding to and seizing this valuable opportunity.

The due diligence team comprises two geology firms in Argentina and Australia that will work collaboratively with global mining & engineering group, SRK Consulting. The team will focus on confirming the veracity of legacy information, particularly metallurgy and mining processes.[1] Further, an NVM site visit is planned to follow up on historic studies that imply there is significant exploration upside for vanadium and other economic minerals including lead, zinc, copper, gold and silver.

NVM was actively mined – open pit and galleries – between 1949-57 and produced vanadium pentoxide from an onsite processing facility. Within the 53-hectare project area, there are several vanadium-rich polymetallic sheeted vein systems, aligned North-East to South-West, over a mineralised strike zone that is up to 0.9-1.0Km in length and a vein width of up to 5.5m wide. However, only one vein was partially-exploited which left most of the deposit intact.[2]

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Notably, a focus area for the geology team during the due diligence review is determining the extent of the deposit and the potential exploration upside. Indeed, early due diligence has already identified several highly mineralised stockpiles around the historic processing facility and open pit that could readily be utilised as a direct shipping ore vanadium product.

Historical sampling and assay results throughout the historical workings produced grades from the partially mined vein that ranged up to 1.9% V_2O_5 with a sample length weighted grade average of 0.82% V_2O_5 in the open pit and underground workings.[2]

NVM has ready access to mains power and water supplies, while nearby towns can provide supporting services and a skilled labour pool. Further, the transportation infrastructure from the mine to key ports is more than adequate with well-formed gravel tracks, a sealed highway, and rail network in place.

The regional geology around NVM, which is located 170km from the capital of San Luis province (Figure 1), generally is dominated by Precambrian to Cambrian metamorphic rocks, with granitic intrusions of variable dimensions. This is a lead-vanadium mining district with many historic mines that documented their Pb-V production. The regional target mineral is vanadinite, a lead chloro-vanadate, that is by weight 73.1% Pb and 10.8% V. At NVM, vanadinite occurs within quartz mineralised veins.[2]

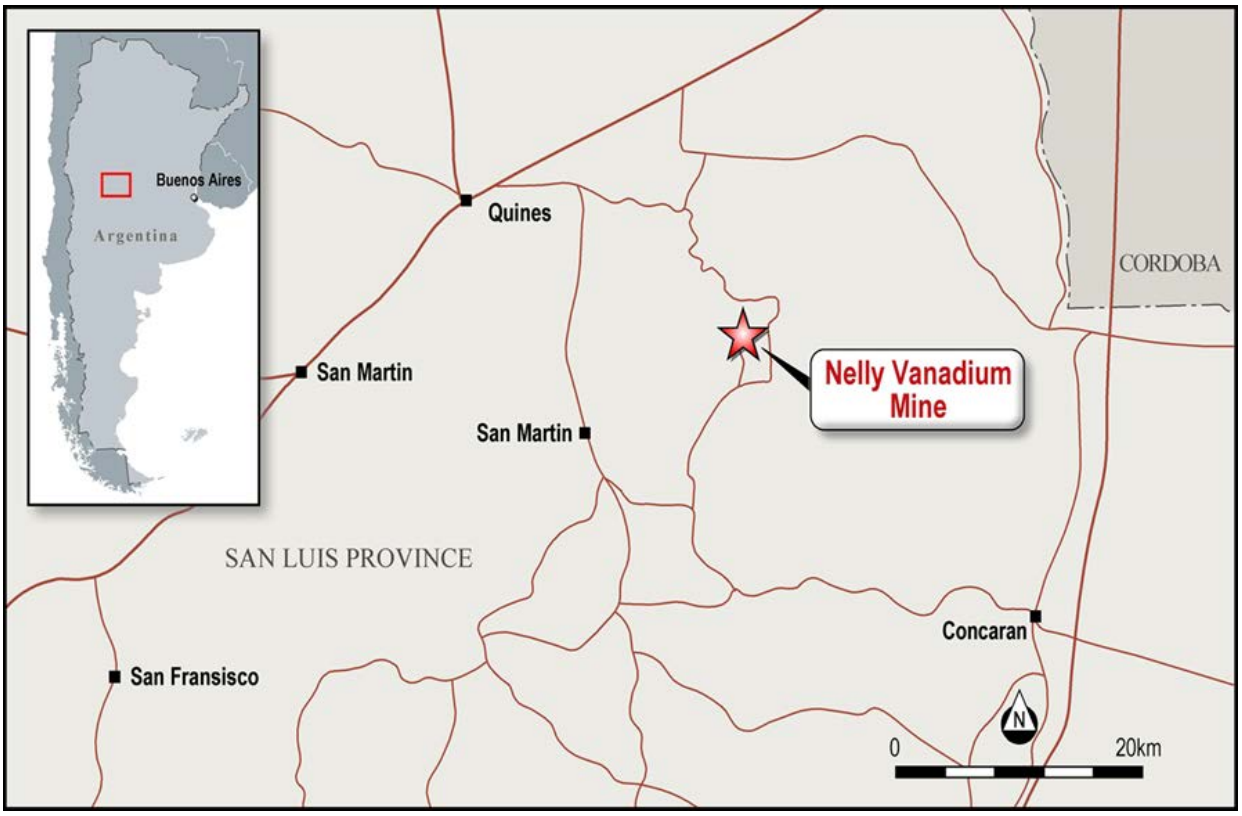


Figure 1. *Location of NVM in San Luis, Argentina*

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Vanadium Projects – Queensland and the Northern Territory

On 19 July 2018, in a strategic move to expand into Australia and complement the Nelly Vanadium Mine transaction, Hardey was granted a 40-day option to acquire six highly prospective vanadium projects in Queensland and Northern Territory (refer to corporate section below for key terms). A key feature with these six projects is they are all located in well-known mining districts with supportive infrastructure, ready access to ports and skilled labour pools. Once again, this was an opportunity Hardey commenced examining during the quarter which resulted in increased unexpected cost to the Company (given the need to rely on multiple consultants during the geological team's expanded due diligence). As a result, the Board was then satisfied to settle on the Australian Vanadium Projects just after the period close and shortly after the Nelly Vanadium Projects were settled. Hardey was examining many Vanadian Projects – the two Hardey settled on were the best to come out of the extensive due diligence process that Hardey in conjunction with its consultants conducted during the quarter.

Moving forward, post due diligence, the Board intends to place a greater emphasis on developing all the vanadium assets to facilitate HDY evolving into an emerging supplier to the renewable energy sector. In particular, the emphasis is on building a strong scalable global platform to meet growing demand for vanadium.

There are four projects in the Mount Isa region of western Queensland – Sharptooth, Spike, Cera and Petrie. These projects are located in an area that favours shallow surface mining for large tonnages of low-grade vanadium mineralisation (Figure 2).

Notably, these four highly prospective areas are near to IRC's globally significant Richmond project (inferred mineral resource 2,579Mt @ 0.32% V_2O_5 cut-off grade of 0.29% V_2O_5)[3] and ground held by Liontown Resources (LTR). Of note, LTR's tenure contains historic vanadium resources, but they do not comply with the JORC (2012) code.[4]

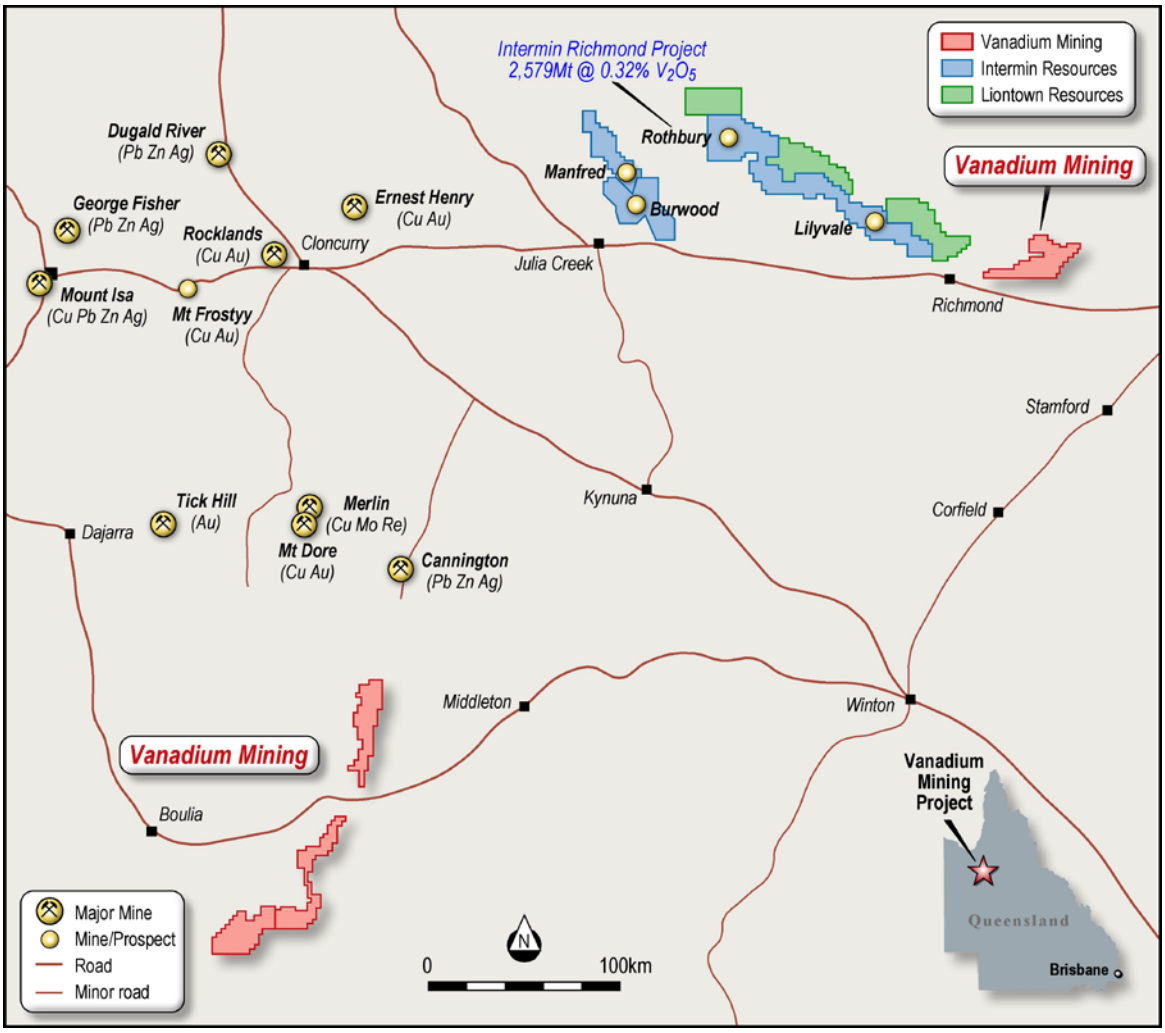


Figure 2. *Sharptooth, Spike, Cera and Petrie projects*

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The two projects in the Northern Territory – Wollagalong and Chisholm – are contiguous with TNG's Mt Peake project (Figure 3), which has a total resource at 160Mt @ 0.28% V_2O_5 cut-off grade of 0.10% V_2O_5.[5] TNG's project is the most advanced in the region as a Definitive Feasibility Study has already been completed, while TNG has also signed a binding life-of-mine offtake and technology transfer agreement with Korea's Woojin Metals.[5]

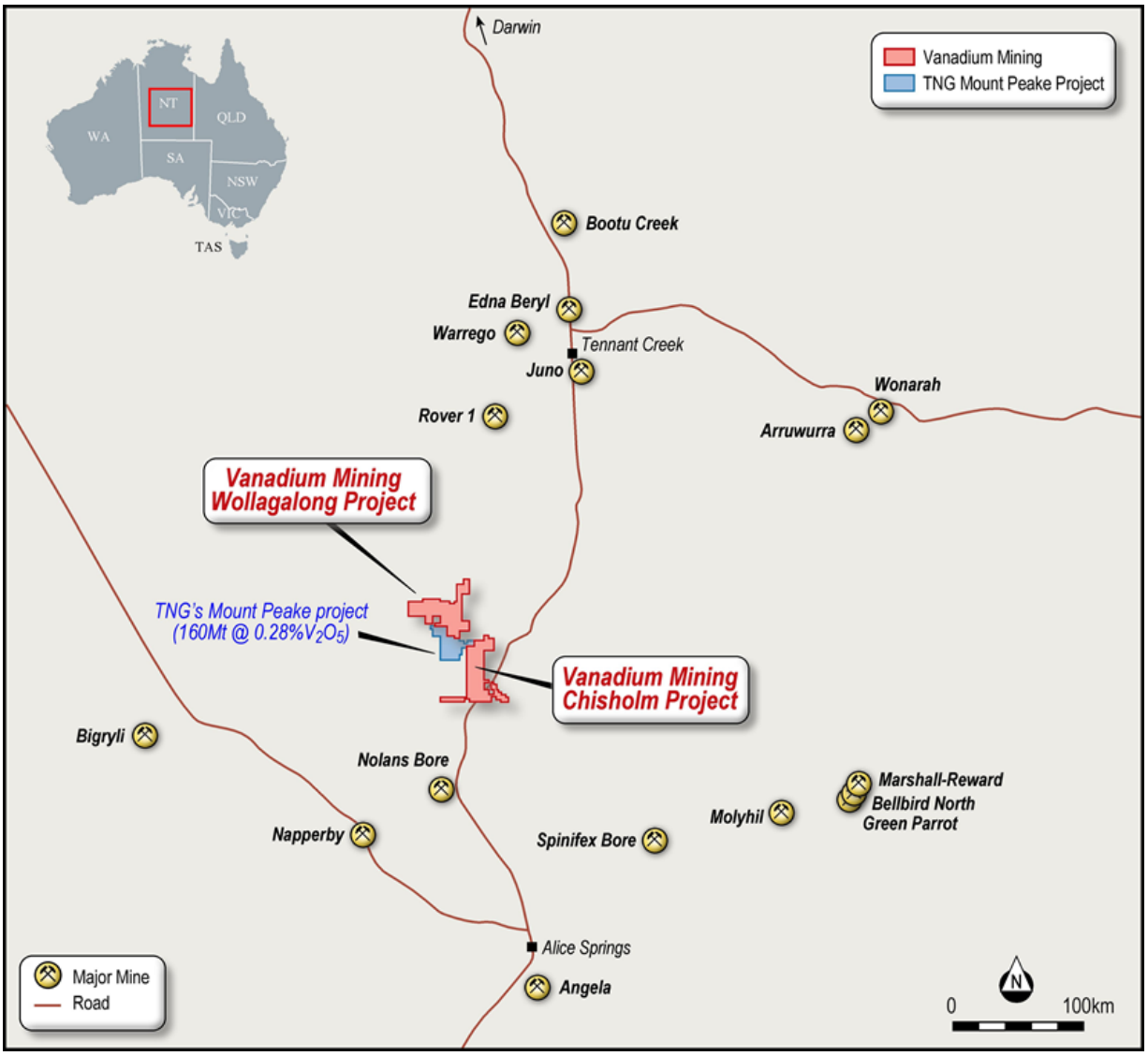


Figure 3. *Wollagalong and Chisholm projects*

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Burraga Copper Project NSW

The Burraga Copper-Gold Project, located in the world class minerals province of the East Lachlan Fold Belt in central western NSW, consists of three contiguous exploration licences (EL6463, EL6874, and EL7975) and one exploration licence application (ELA5454) covering a total area of approximately 221 square kilometres.

The Company's landholding at Burraga comprises about 84 square kilometres, including the village of Burraga which is a short distance from the prolific Lloyds Copper Mine.

The strength of the renewable energy and battery sector has led to a renewed focus on the Company's main copper asset, Lloyds Copper mine. The Company has commissioned exploration projects with the aim of confirming extensions to the Lloyds ore body. Lloyds Copper Mine operated between 1880 and 1920, then intermittently up to 1961. Lloyds Copper Mine produced 19,443 tons of copper from 469,626 tons of ore implying a recovered grade of 4.14% copper.[6]

Hardey Resources is continuing to embrace cutting-edge technology in order to increase understanding of the Lloyd's ore body. During the quarter, Hardey engaged a hyperspectral consultant of the highest calibre to produce a model of the Lloyds site which will lead to more effective exploration targeting. The consultant has produced similar models at many globally significant ore systems and continues to work with many major minerals and resources companies. This work has contributed to the increase in Hardey's exploration budget for the period as the Company decided to expand the scope of this work.

Hyperspectral analysis of existing drill core and chips will be used in conjunction with existing GIS and geochemical data to provide a holistic model of the Lloyd's ore body and its alteration halo. The findings of this project will direct future drilling programs. This type of analysis is becoming common place in the minerals industry as it has proved to be one of the most accurate and cost-effective exploration tools for structurally complex ore bodies such as Lloyd's.

An RC drilling program at Lloyds has been planned over the previous quarter for completion this later quarter. Details are currently being finalised and drilling will commence in late Q3, 2018. The program will look to build on the promising results of the 2017 drilling programs by testing extensions of mineralisation at depth and down strike (Figure 4).[6,7]

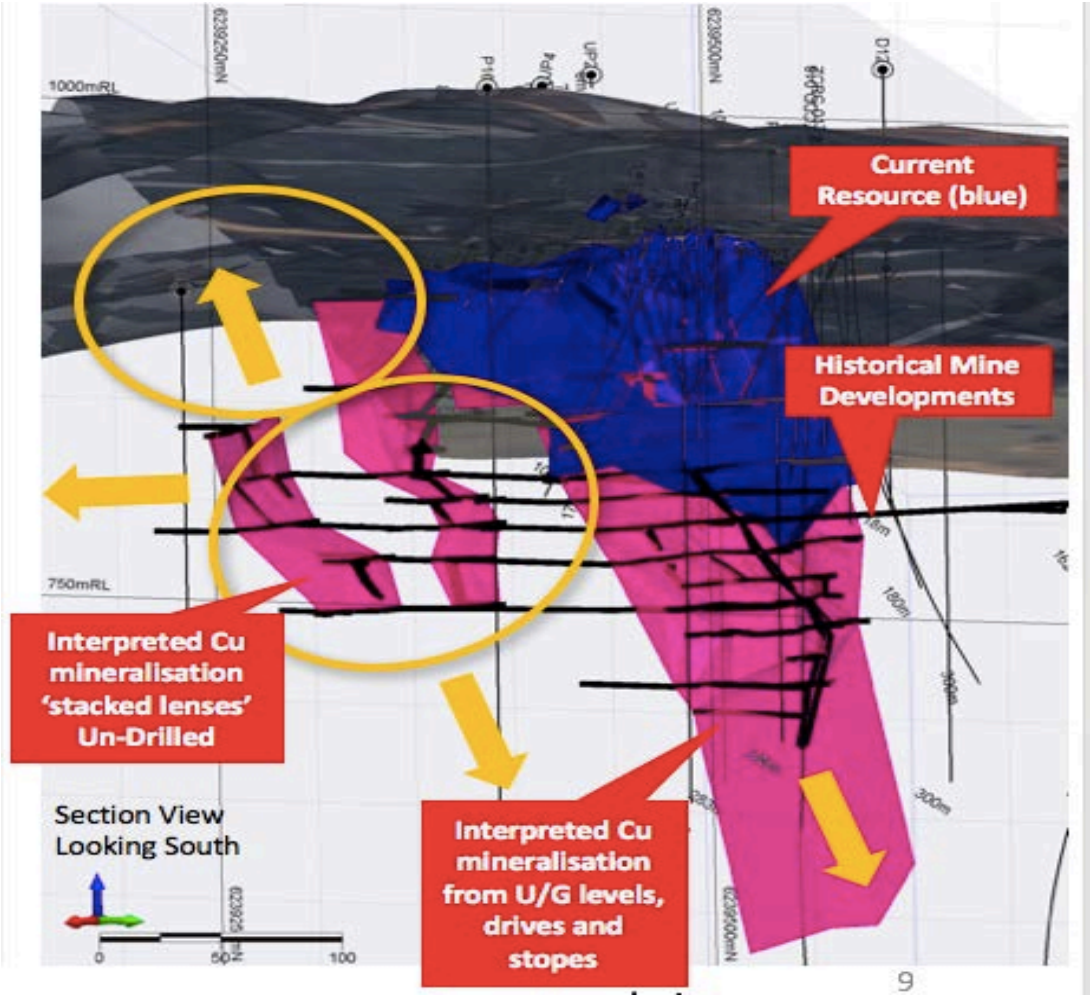


Figure 4. *Ore body model at Lloyds*[7]

As outlined above, the Company has made the strategic decision to focus efforts on the Lloyd's project in the last quarter. The Environmental Impact Statement (EIS) for the Lloyd's Copper Mine has progressed following a continued review of data from the Lloyd's site. Gaining approval of the EIS at Lloyd's remains a priority with the Company ultimately aiming to obtain a mining license for the Lloyd's site. Upon conducting a fresh review during the quarter rin conjunction with consultants, the EIS was found to be in a much lesser state than the Company had previously anticipated. Much of the work previously conducted is now outdated, incomplete and in need of revision. These findings during the quarter resulted in further consultant hours and therefore unexpected additional costs added to exploration activities.

Hardey's strategic decision to shift its focus back to Burraga, making it the Company's secondary focus behind the new Vanadium Projects, comes as the copper price remains strong and the Company looks to establish itself as a significant player in the battery minerals sector.

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Other exploration work at the Burraga Project

A polymetallic portfolio remains important to the Company and as such Hardey continues to plan a 2000m RC drilling program to test gold targets at Hackney's Creek. Access agreements are currently being negotiated with drilling likely in late 2018.

Through the remainder of 2018 a review of all available data for EL6874 will be undertaken with the aim of identifying and prioritizing prospects for future exploration (Figure 5).



Figure 5. *Regional location of EL6463, EL6874 and EL7975 which make up the granted tenures of the Burraga Project, inset shows shape and location of exploration licenses.*

Western Australian projects

Due to shift in company focus to capitalise on the renewable battery market and rising copper price outlook, no exploration work was carried out on Hardey's Western Australian projects.

A regional land consolidation at Telfer will further help the Company prioritise expenditure at the Burraga and Nelly projects.

Other exploration projects

The Company also has several other highly prospective projects including the polymetallic Au-Ag-Zn-Pb Cheela Project in the Ashburton region Western Australia, and the copper-gold VMS Horseshoe South Project in the Murchison, Western Australia.

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Following the handover from Horseshoe Metals Limited (Horseshoe Metals) in 2017, Hardey is conducting a desktop review of the available data on E52/2569 (Horseshoe South). The Company is in the process of identifying further value accretive options either through discovery or divestment.

Corporate

In the previous quarter on 16 March 2018, the Company announced a placement of 342,500,200 fully paid ordinary shares in Hardey (**Shares**) to sophisticated and professional investors at a price of $0.004 per Share to raise approximately $1.37 million (before costs) (**Placement**). In addition, participants in the Placement received one free attaching listed option for every one share subscribed for in the Placement, exercisable at $0.02 each on or before 30 April 2020 (**Placement Options**).

The Placement was conducted in two tranches, with the first tranche of 148,747,837 shares issued under the Company's 15% placement capacity under Listing Rule 7.1 on 20 March 2018. Tranche 2 of the Placement, comprising of 193,752,363 Shares was approved by shareholders at a General Meeting held 30 April 2018. The issue of the Tranche 2 Placement Shares was completed in May 2018.

Everblu Capital acted as sole lead manager to the Placement and was paid a 6% capital raising fee on funds raised in accordance with their mandate.

On 20 April 2018, Dr James Ellingford resigned as a Non-executive Director of the Company and Mr Robert McCauley was appointed in his place. Dr Ellingford's expertise and knowledge of Burraga and the EIS specifically was required during the handover phase, which added some unexpected costs which had not been previously anticipated or included in the budget.

Mr McCauley has held senior Board and Management positions in ASX Listed Companies including Commissioners Gold Ltd now Gold Mountain Ltd (ASX: GMN) and has extensive experience in capital raisings, IPO's, finance, media, corporate advice and acquisitions. Robert was also nominated in 2011 as an industry representative on the ASX equity market review panel reporting to ASIC.

Robert holds a BSc degree and is a Member of the Royal Institution of Chartered Surveyors (Aust.UK). He is also a Registered Surveyor, Licensed Surveyor WA and a Chartered Land & Minerals Surveyor.

Robert has over 35 years of experience and involvement in infrastructure development including Boddington Gold Mine WA – now Newmont Mining Corporation; North West Shelf Natural Gas Project and the Monasavu Hydro Electric Scheme, Fiji - World Bank Project.

Mr McCauley brings to the Board his broad knowledge of corporate and technical skills including assisting the Company to identify and analyse future M&A opportunities.

Events subsequent to the end of the quarter

On 3 July 2018, the Company announced that it had entered into a share sale agreement with the shareholders of Nelly Vanadium Pty Ltd (NVPL). Under the terms of this agreement, the Company has been granted a 40-day option to acquire 100% of the issued capital of NVPL which is a mineral explorer that owns the Nelly Vanadium Mine (NVM) in San Luis

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Province in Argentina ("NVPL acquisition"). NVPL will soon lodge an application with the San Luis mines department to re-open the NVM, with the aim of fast-tracking the recommencement of production.

The Company has paid NVPL $75,000 in consideration for the grant of an option to acquire 100% of the issued capital in NVPL, exercisable at any time with 40 days following the date of the agreement, during which time the Company will undertake due diligence in relation to NVPL and the NVM. If the option is exercised, at settlement of the acquisition the Company will issue 737,500,000 fully paid ordinary shares in the capital of the Company and 737,500,000 listed options to acquire Shares (exercisable at $0.02 on or before 30 April 2020) (ASX: HDYOC).

In addition, on 19 July 2018, the Company entered into a share sale agreement with the major shareholders of Vanadium Mining Pty Ltd (VanMin). Under the terms of this agreement, HDY has been granted a 40-day option to acquire 100% of the issued capital of VanMin, which is a mineral explorer that owns six highly prospective vanadium projects in Queensland and the Northern Territory.

The Company has paid VanMin $75,000 in consideration for the grant of an option to acquire 100% of the issued capital in VanMin, exercisable at any time within 40 days following the date of the agreement. During this time, HDY will undertake due diligence in relation to VanMin and six projects in Queensland and the Northern Territory. If the option is exercised, at settlement of the acquisition HDY will issue 550,000,000 fully paid ordinary shares and 550,000,000 listed options (exercisable at $0.02 on or before 30 April 2020) (ASX: HDYOC) to VanMin shareholders.

The HDY shares to be issued at settlement to VanMin shareholders, as consideration for the VanMin acquisition, will account for circa 20.76% of HDY's expanded issued capital. In addition, HDY will pay a 3% net smelter return royalty to VanMin's founding shareholders for all minerals produced from the six projects.

The Company has convened a general meeting of shareholders to seek the shareholder approvals required to give effect to the proposed acquisitions of NVPL and VanMin, including for the issue of the consideration shares and consideration options. The General Meeting will be held on 24 August 2018 and a Notice of Meeting was dispatched to shareholders on 25 July 2018.

Pro-forma capital structure

A pro forma capital structure for HDY upon completion of the VanMin acquisition is set out below:

	Shares	**Options**
Current	1,361,815,830	861,810,924[1]
Consideration – Nelly Vanadium P/L	737,500,000	737,500,000[2]
Consideration – Vanadium Mining P/L	550,000,000	550,000,000[2]
Total	**2,649,315,830**	**2,149,310,924**

Notes:

1. The terms of the current options on issue are as follows:

a. 812,884,346 listed options exercisable at $0.02 on or before 30 April 2020 (ASX: HDYOC);
b. 45,525,000 options exercisable at $0.06 on or before 19 August 2020; and
c. 3,401,578 options exercisable at $0.044 on or before 1 October 2020.

2. Consideration options are listed options exercisable at $0.02 on or before 30 April 2020 (ASX: HDYOC).

For further information, please visit www.hardeyresources.com.au:

The following table sets out the tenement information as required by ASX Listing Rule 5.3.3

Table 1. Mining tenements held at the end of the Quarter and their location

Permit Type	Permit Number	Location	Holder	Tenure Status	Beneficial %
E	47/3578	WA	ACN 603 462 513 PTY LTD	Granted	100%
E	47/3827	WA	ACN 603 462 513 PTY LTD	Granted	100%
E	45/5020	WA	ACN 603 462 513 PTY LTD	Granted	100%
E	08/2880	WA	ACN 603 462 513 PTY LTD	Granted	100%
E	45/4524	WA	ACN 603 462 513 PTY LTD	Granted	100%
P	45/2905	WA	ACN 603 462 513 PTY LTD	Granted	100%
P	45/2906	WA	ACN 603 462 513 PTY LTD	Granted	100%
P	45/2907	WA	ACN 603 462 513 PTY LTD	Granted	100%
P	45/2908	WA	ACN 603 462 513 PTY LTD	Granted	100%
P	45/2909	WA	ACN 603 462 513 PTY LTD	Granted	100%
E	45/5130	WA	Hardey Resources Ltd	Application	100%
E	52/2569	WA	Elysium Resources Ltd	Granted	100%
EL	6463	NSW	BC Exploration Pty Ltd	Granted	100%
EL	6874	NSW	BC Exploration Pty Ltd	Granted	100%
EL	7975	NSW	BC Exploration Pty Ltd	Granted	100%

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ELA	5454	NSW	BC Exploration Pty Ltd	Application	100%

1. The mining tenement interests acquired during the quarter and their location

Nil.

2. Beneficial percentage interests held in farm-in or farm-out agreements at the end of the quarter

Not applicable.

3. Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter

WA Exploration Licence Applications E45/5131 & E45/5132 were withdrawn during the quarter.

ABOUT HARDEY RESOURCES:

Hardey Resources (ASX: HDY) is a publicly listed, junior mineral resources company focused on the exploration and development of copper and battery related minerals and projects. Hardey has aggregated a diversified portfolio of assets that are at multiple stages, commodities and jurisdictions. The Burraga Copper-Gold Project, located in the world class minerals province of the East Lachlan Fold Belt in central western New South Wales consists of three contiguous exploration licences (EL6463, EL6874 and EL7975) and one exploration licence application (ELA5454) covering a total area of approximately 221km². The Nelly Vanadium Mine in Argentina, South America is a significant historic vanadium mine, which the company will be fast tracking to re-open mining operations. The Company also has an extensive landholding prospective for Pilbara conglomerate-hosted gold in Western Australia, with three exploration licences (E47/3578, E47/3827, and E45/5020). The Grace Gold Project located in the world class Paterson mineral province in Western Australia consists of one granted exploration licence and five granted prospecting licences (E45/4524, P45/2905, P45/2906, P45/2907, P45/2908, and P45/2909) with additional application pending (E45/5130). Hardey is an active explorer with the aim of discovering a valuable mineral resource and delivering shareholder value.

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COMPETENT PERSON'S STATEMENT:

The information in this report that relates to Geological Interpretation, Historical Exploration Results, or Historical Mineral Resources is based on information compiled by Nicholas Ryan, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Ryan has been a Member of the Australian Institute of Mining and Metallurgy for 12 years and is a Chartered Professional (Geology). Mr Ryan is employed by Xplore Resources Pty Ltd. Mr Ryan has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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'. Mr Ryan consents to the inclusion in the report of the matters based on his information and the form and context in which it appears.

Disclaimer

Some of the statements appearing in this announcement may be in the nature of forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industries in which Hardey operates and proposes to operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets, among other things. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement. No forward looking statement is a guarantee or representation as to future performance or any other future matters, which will be influenced by a number of factors and subject to various uncertainties and contingencies, many of which will be outside Hardey Resources (HDY) control.

The Company does not undertake any obligation to update publicly or release any revisions to these forward looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions or conclusions contained in this announcement. To the maximum extent permitted by law, none of HDY, its Directors, employees, advisors or agents, nor any other person, accepts any liability for any loss arising from the use of the information contained in this announcement. You are cautioned not to place undue reliance on any forward looking statement. The forward looking statements in this announcement reflect views held only as at the date of this announcement.

This announcement is not an offer, invitation or recommendation to subscribe for, or purchase securities by HDY. Nor does this announcement constitute investment or financial product advice (nor tax, accounting or legal advice) and is not intended to be used for the basis of making an investment decision. Investors should obtain their own advice before making any investment decision.

References

1) HDY ASX Release 24 July 2018
2) HDY ASX Release 3 July 2018
3) IRC ASX Release 20 March 2018
4) LTR ASX Release 28 November 2017
5) TNG ASX Release 20 November 2017 & TNG ASX Release 26 March 2013
6) HDY ASX Release 24 April 2018
7) HDY ASX Release 13 June 2018

+Rule 5.5

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

Hardey Resources Limited

ABN	**Quarter ended ("current quarter")**
45 115 593 005	30 June 2018

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(292)	(1,225)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(143)	(439)
	(e) administration and corporate costs	(326)	(1,948)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	2	8
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)	-	-
1.9	**Net cash from / (used in) operating activities**	**(759)**	**(3,604)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	(10)
	(b) tenements (see item 10)	-	(150)
	(c) investments	-	-
	(d) other non-current assets	-	-

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Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 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**	**-**	**(160)**
2.1(b)	During the quarter, the Company completed the acquisition of Hardey Resources Pty Ltd ("Hardey") which owns gold and base metal projects located in the Pilbara region of Western Australia. As part of the consideration of Hardey, the Company paid $150,000 to the shareholders of Hardey for exploration expenditure spent on the projects.		

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	670	5,083
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	(39)	(309)
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)		
	Share application monies	-	-
3.10	**Net cash from / (used in) financing activities**	**631**	**4,774**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	2,064	926
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(759)	(3,604)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(160)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	631	4,774

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**1,936**	**1,936**

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	1,936	2,064
5.2	Call deposits	-	-
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)**	**1,936**	**2,064**

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	(82)
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	
6.1	Director and consulting fees to Directors and/or Director related entities	$81,651

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	

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8.	**Financing facilities available** *Add notes as necessary for an understanding of the position*	**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	(480)
9.2	Development	-
9.3	Production	-
9.4	Staff costs	(168)
9.5	Administration and corporate costs	(470)
9.6	Other (provide details if material)	(201)
9.7	**Total estimated cash outflows**	**(1,319)**

9.6	- Capital raising costs of $51,150 in relation to Tranche 2 of the Placement as announced on 16 March 2018. - In July 2018, the Company paid Nelly Vanadium Pty Ltd (NVPL) $75,000 in consideration for the grant of an option to acquire 100% of the issued capital in NVPL. - In July 2018, the Company paid VanMin $75,000 in consideration for the grant of an option to acquire 100% of the issued capital in VanMin as announced on 19 July 2018.

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	N/A			
10.2	Interests in mining tenements and petroleum tenements acquired or increased	N/A			

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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: Date: 31 July 2018

Company Secretary

Print name: Sarah Smith

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.

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