

31 July 2017

QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDED 30 JUNE 2017

HIGHLIGHTS

- Entered into a Merger Implementation Agreement with Exterra Resources Limited
- Merger to be completed by Scheme of Arrangement, expected to have an Effective Date of mid-late September 2017
- NDEP and USFS agrees to staged environmental bond
- Board approval for 2017 exploration program received

CORPORATE

SCHEME OF ARRANGEMENT

Anova Metals Limited (“**Company**” or “**Anova**”) (ASX: AWV) and Exterra Resources Limited (“**Exterra**”) (ASX: EXC) entered into a Merger Implementation Agreement (“**MIA**”) under which Anova agreed to acquire all of the issued capital of Exterra by way of a Scheme of Arrangement (“**Scheme**”) with Anova being the surviving entity. Refer to ASX Release on 8 June 2017 for full details.

The merged entity will have an outstanding portfolio of production, development and exploration projects under the guidance of an experienced and proven management team. The Boards of both Anova and Exterra believe that the combination of Anova’s strong balance sheet and Exterra’s near term production Linden gold project is compelling for shareholders of both companies.

The Board of Exterra have unanimously recommended that all Exterra shareholders vote in favour of the Scheme in the absence of a superior proposal emerging and subject to an independent expert’s report concluding that the Scheme is in the best interests of Exterra shareholders. Exterra shareholders who collectively hold 19.92% of Exterra have executed Statements of Intention stating that they will vote in favour of the Scheme, subject to the same qualifications.

Transaction Summary

- Advances the combined entity towards becoming a multi-jurisdictional gold producer with a project portfolio in Western Australia and Nevada, USA.
- JORC compliant Mineral Resources totalling 1.23m oz gold and JORC compliant Ore Reserves totalling 65k oz gold (refer to Table 1 and 2 for details) across two advanced projects with outstanding exploration upside:
 - Exterra’s Second Fortune gold mine, located in Linden, Australia, is commencing production; and
 - Anova’s Big Springs gold project located in Nevada, USA is project permitted and ready for production.
- Exterra shareholders are to receive one (1) Anova share for every two (2) Exterra shares held.

- Based on the closing price of \$0.125 of Anova shares last traded on ASX prior to this announcement:
 - the Anova shares to be issued to Exterra shareholders values Exterra at approximately \$21.3 million; and
 - the merged entity will have a combined pro forma market capitalisation of approximately \$78 million¹.
- The Scheme will result in Anova issuing approximately 172,594,353 Anova shares to acquire all Exterra shares, with Anova shareholders to hold approximately 72.4% of the shares in the merged entity and Exterra shareholders to hold approximately 27.6%².
- The consideration payable to Exterra shareholders under the proposed merger represents a:
 - 64% premium to the closing price of Exterra shares on the ASX of \$0.038 on 5 June 2017, compared to the closing price of Anova shares of \$0.125 on 5 June 2017;
 - a 61% premium to the volume weighted average (VWAP) price of Exterra shares traded on ASX over the 5 trading days prior to this announcement, compared to the VWAP of Anova shares over the same period; and
 - a 52% premium to the VWAP of Exterra shares traded on ASX over the 30 days prior to this announcement, compared to the VWAP of Anova shares over the same period.
- The Scheme is subject to approval by Exterra shareholders at a general meeting expected to be held mid-September 2017.

Transaction Rationale

The Boards of Anova and Exterra believe that the combination of the two companies has a clear strategic rationale and will generate significant value for shareholders of both companies.

Shareholders will have exposure to Exterra's production and exploration projects and will also benefit from the growth potential of Anova's near term production asset and exploration projects. Anova will also explore the benefits of utilising Exterra's ore sorting technology at its Big Springs Project.

The merged entity will have a pro forma market capitalisation of ~\$78 million, with shareholders of both companies expected to benefit from the increased scale and liquidity associated with an investment in the merged entity. Further, the strengthened balance sheet together with cashflow expected to be generated from operations which should enable the merged entity to accelerate development of its projects and planned exploration programs.

In addition, the merged entity will have a diversified asset base with excellent leverage to the gold price, as well as a strengthened Board and management team with a proven track record of taking development assets into production.

Exterra Board Recommendation

The proposed merger has the full support of the boards of Exterra and Anova.

The directors of Exterra intend to unanimously recommend to Exterra shareholders that they vote in favour of approving the Scheme, subject to an independent expert report concluding that the Scheme is in the best interests of Exterra's shareholders and no superior proposal being received in relation to Exterra.

¹ Based on the Anova Metals closing share price on ASX of 12.5c on 5 June 2017, and Anova's pro forma undiluted issued share capital on completion of the Scheme of 625,994,625.

² Assumes no further Exterra options are exercised before the Scheme is implemented.

Shareholder Statement of Intentions

Statement of Intentions have been received from three key Exterra shareholders (Bernard Stephens, Montezuma Mining Company and Seamus Cornelius, who collectively hold 19.92% of the ordinary shares in Exterra) stating that they intend to vote in favour of approving the Scheme, subject to an independent expert report concluding that the Scheme is in the best interests of Exterra's shareholders and no superior proposal being received in relation to Exterra.

Board of Merged Company

Following implementation of the MIA, existing Exterra directors Mr John Davis and Mr Geoff Laing will be invited to join to the Board of Anova with Mr Laing in the role of Executive Director.

The skills, knowledge and expertise of Mr Laing and Mr Davis will complement the Anova board comprising Mr Mal James (Non-Executive Chair), Mr Bill Fry (Executive Director) and Mr Alasdair Cooke (Non-Executive Director).

LOAN FACILITY AGREEMENT WITH EXTERRA RESOURCES

To ensure that Exterra is able to continue to progress the development of the Second Fortune project whilst the Scheme is being implemented, Anova has agreed to advance up to \$2 million in loan funding to Exterra prior to completion of the Scheme. For key terms of the Loan Facility see the ASX release dated 8 June 2017.

OTHER CORPORATE

As at 30 June 2017, the Company's cash balance was \$7.7m.

OPERATIONS

MINING

Following the successful conclusion of permitting for the South Sammy Project, Anova and Jerritt Canyon LLC commenced discussions on the terms of a toll mining agreement. Modelling completed by the Company shows improvements to the previously negotiated agreement are likely to provide significant benefit to both parties. Negotiations are continuing and final revisions to the mine design will be made once a tolling agreement is concluded.

PERMITTING

601/701 Open Pit and Underground

In light of the continuing toll treatment negotiations with Jerritt Canyon LLC, the Nevada Division of Environmental Protection ("NDEP") and United States Forest Service ("USFS") have agreed for the environmental bond to be posted in stages. This will allow Anova to initiate exploration drilling under the Mine Plan of Operations without posting the full Mine bond. A revised Reclamation Cost Estimate ("RCE") reflecting the rehabilitation costs associated with exploration drilling was submitted to NDEP and USFS late in the quarter. Once the first stage RCE is approved by the regulators, NDEP will issue its Decision Notice and will grant the Nevada State Reclamation Permit which will allow Anova Metals to commence drilling within the Mine Project Area.

During the quarter, an agreement was reached with a third party for the transfer of a Water Right associated with a well located within the Mine Project Area, to Anova Metals. Furthermore, permission to withdraw water for the purpose of mining from an established production well owned by the same party and located approximately 5km from the Project, was also obtained.

North Sammy Underground

During the quarter Anova Metals and its key environmental consultants developed a work plan for the North Sammy Underground Project. In early August, Anova will formally initiate the permitting process for North Sammy by presenting the work plan to the USFS and NDEP.

EXPLORATION

Shortly after the end of the quarter, Anova announced that the Board had approved an exploration drilling program designed to follow up on the excellent results returned at South Sammy and Beadles Creek during the 2016 drilling campaign (Refer to the Company's December 2016 Quarterly Report for details of the 2016 program) and to drill test targets in close proximity to the permitted 601 and 701 mining area. Details of the exploration program are provided in the ASX release dated 5 July 2017.

Environmental approvals for the Beadles Creek prospect are in place and drilling is expected to commence during the first week of August. Regulatory approval for drilling to be conducted within the Mine Project Area is well advanced and expected by mid-August (refer to Permitting Section for further details).

Competent Person Statement – Anova Metals Limited, Big Springs Project

The information in this report that relates to Exploration Results and Mineral Resources is based on and fairly represents information compiled by Mr Lauritz Barnes (Principal Consultant Geologist, Trepanier Pty Ltd). Mr Barnes is a shareholder of Anova Metals. Mr Barnes is a member of both the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists and has sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Barnes consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

Competent Person Statement – Exterra Resources Limited, Second Fortune (Linden) Project

The information in this report that relates to the Second Fortune Main Lode Mineral Resource is extracted from the summary report entitled 'Second Fortune Feasibility Study' prepared by Mining Plus Pty Ltd included in the Company's ASX announcement dated 25 May 2017 and is available to view on the Company's website. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcement and that all material assumptions and technical parameters underpinning the estimates in the original announcement continue to apply and have not materially changed.

The information in this report that relates to the Second Fortune Hanging Wall, Footwall and West Lode Mineral Resources fairly represents information and supporting documentation compiled under the overall supervision and direction of John Davis (Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists), who is a director of and consultant to the Company. Mr Davis has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. **The information was prepared and disclosed under the JORC Code 2004. It has not been updated since to comply with JORC Code 2012 on the basis that the information has not materially changed since it was last reported.** Mr Davis consents to the inclusion in the release of the statements based on their information in the form and context in which they appear.

The information in this report that relates to Ore Reserves is extracted from the summary report entitled 'Second Fortune Feasibility Study' prepared by Mining Plus Pty Ltd included in the Company's ASX announcement dated 25 May 2017 and is available to view on the Company's website. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcement and that all material assumptions and technical parameters underpinning the estimates in the original announcement continue to apply and have not materially changed.

The information in this report that relates to production targets and forecast financial information derived from the production target is extracted from the summary report entitled 'Second Fortune Feasibility Study' prepared by Mining Plus Pty Ltd included in the Company's ASX announcement dated 25 May 2017 and is available to view on the Company's website. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement.

The information in this report that relates to Exploration Results is based on, and fairly represents, information and supporting documentation prepared by John Davis (Member of the Australasian Institute of Mining and Metallurgy and the AIG), who is a director of and consultant to the Company. Mr Davis has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Davis consents to the inclusion in the release of the statements based on their information in the form and context in which they appear.

Competent Person Statement – Exterra Resources Limited, Zelica Project

The information in this report that relates to Mineral Resources for the Zelica Project is based on and fairly represents information and supporting documentation compiled under the overall supervision and direction of John Davis (Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists). Mr Davis has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. **The information was prepared and disclosed under the JORC Code 2004. It has not been updated since to comply with JORC Code 2012 on the basis that the information has not materially changed since it was last reported.** Mr Davis consents to the inclusion in the release of the statements based on their information in the form and context in which they appear.

Information in this report that relates to the Zelica Mineral Resources is based on information compiled by Don Maclean (Member of the Australian Institute of Geoscientists). Mr Maclean is a principal consultant for Ravensgate Mining Industry Consultants Pty Ltd. Mr Maclean has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activities undertaken to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Maclean consents to the inclusion in the report of the statements based on his information in the form and context in which they appear.

Competent Person Statement – Exterra Resources Limited, Malcolm Project

The information in this report that relates to Mineral Resources for the Malcolm Project is based on and fairly represents information and supporting documentation compiled under the overall supervision and direction of John Davis (Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists). Mr Davis has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. **The information was prepared and disclosed under the JORC Code 2004. It has not been updated since to comply with JORC Code 2012 on the basis that the information has not materially changed since it was last reported.** Mr Davis consents to the inclusion in the release of the statements based on their information in the form and context in which they appear.

Table 1: Combined AWW and EXC JORC Mineral Resource

| Project | Measured | | | Indicated | | | Inferred | | | Combined | | |
|---|------------|------------|--------------|--------------|------------|--------------|---------------|------------|--------------|---------------|------------|----------------|
| | kT | Grade | Koz | kT | Grade | Koz | kT | Grade | Koz | kT | Grade | Koz |
| Anova Metals Limited | | | | | | | | | | | | |
| Big Springs¹ | 641 | 5.6 | 116.1 | 4,762 | 2.2 | 343.3 | 10,630 | 1.7 | 570.4 | 16,032 | 2.0 | 1,029.9 |
| Anova Metals Total | 641 | 5.6 | 116.1 | 4,762 | 2.2 | 343.3 | 10,630 | 1.7 | 570.4 | 16,032 | 2.0 | 1,029.9 |
| Exterra Resources Limited | | | | | | | | | | | | |
| Second Fortune (Linden) | | | | | | | | | | | | |
| Main Lode (JORC 2012) ² | - | - | - | 211.8 | 9.8 | 66.7 | 35.4 | 8.0 | 9.1 | 247.2 | 9.5 | 75.8 |
| Hangingwall Lode (JORC 2004) ^{3,4,5} | - | - | - | - | - | - | 58.2 | 8.2 | 15.3 | 58.2 | 8.2 | 15.3 |
| Footwall Lode (JORC 2004) ^{3,4,5} | - | - | - | 18.5 | 8.9 | 5.4 | 52.9 | 7.4 | 12.5 | 71.4 | 7.8 | 17.9 |
| West Lode (JORC 2004) ^{3,4,5} | - | - | - | 4.2 | 4.2 | 0.6 | 107.2 | 6.1 | 21.0 | 111.4 | 6.0 | 21.6 |
| Second Fortune Sub-Total | - | - | - | 234.5 | 9.6 | 72.7 | 253.7 | 7.1 | 57.9 | 488.2 | 8.3 | 130.6 |
| Zelica (JORC 2004)^{3,6} | - | - | - | 358.2 | 1.7 | 19.0 | 212.6 | 1.6 | 11.0 | 570.8 | 1.6 | 30.0 |
| Malcolm (JORC 2004)^{3,7} | - | - | - | - | - | - | 142.2 | 8.3 | 37.9 | 142.2 | 8.3 | 37.9 |
| Exterra Resources Total⁸ | - | - | - | 593 | 4.8 | 91.7 | 608 | 5.5 | 106.8 | 1,201 | 5.1 | 198.5 |
| Combined Total | 641 | 5.6 | 116.1 | 5,355 | 2.5 | 435.0 | 11,238 | 1.9 | 677.2 | 17,233 | 2.2 | 1,228.4 |

Note: Appropriate rounding applied

1. Refer to Anova's ASX Announcement titled 1 Million Oz Measured, Indicated and Inferred Resource and dated 26 June 2014 for further information in relation to the Big Springs Mineral Resource. Anova confirms that it is not aware of any new information or data that materially affects the information included in this document in relation to the Big Springs Mineral Resource estimate and that all material assumptions and technical parameters underpinning these estimates continue to apply and have not materially changed. Big Springs weighted average of domains estimated with either 1.0 g/t and 0.8 g/t cut-off grades.
2. Refer to Exterra's ASX Announcement titled Feasibility Study Confirms Robust High Grade Gold Mine and dated 25 May 2017 for further information in relation to the Second Fortune Mineral Resource estimate for the Main Lode. Exterra confirms that it is not aware of any new information or data that materially affects the information included in this document in relation to the Second Fortune Mineral Resource estimate for the Main Lode and that all material assumptions and technical parameters underpinning these estimates continue to apply and have not materially changed. Second Fortune Main Lode (JORC 2012) - 1.0m Min Mining Width diluted resource at 4.0 g/t Au lower cut-off (minor rounding variations may occur).
3. It has not been updated since to comply with JORC Code 2012 on the basis that the information has not materially changed since it was last reported.
4. Refer to Exterra's ASX Announcement titled Feasibility Study Confirms Robust High Grade Gold Mine and dated 25 May 2017 for further information in relation to the Second Fortune Mineral Resource estimates for the Hangingwall Lode, the Footwall Lode and the West Lode. Exterra confirms that it is not aware of any new information or data that materially affects the information included in this document in relation to those Mineral Resource estimates and that all material assumptions and technical parameters underpinning these estimates continue to apply and have not materially changed. The information was prepared and disclosed under the JORC Code 2004.
5. Second Fortune other veins - 4.0 g/t Au lower cut-off (minor rounding variations may occur)
6. Refer to Exterra's ASX Announcement titled Quarterly Activities and Cashflow Report and dated 30 July 2012 for further information in relation to the Zelica Mineral Resource. Exterra confirms that it is not aware of any new information or data that materially affects the information included in this document in relation to the Zelica Mineral Resource estimate and that all material assumptions and technical parameters underpinning these estimates continue to apply and have not materially changed. Zelica - reported above a 0.5 g/t Au block model grade with a 12.0 g/t Au top cut.
7. Refer to Exterra's ASX Announcement titled Increased Gold Resources Through Acquisition of High Grade Malcolm Project and dated 29 August 2012 for further information in relation to the Malcolm Mineral Resource. Exterra confirms that it is not aware of any new information or data that materially affects the information included in this document in relation to the Malcolm Mineral Resource estimate and that all material assumptions and technical parameters underpinning these estimates continue to apply and have not materially changed.
8. Excludes Eucalyptus - previously highlighted as subject to forfeiture action and forfeited on 2 June 2017.

Table 2: Combined AWW and EXC JORC 2012 Mineral Reserve

| Project | Proven | | | Probable | | | Combined | | |
|-----------------------------------|--------|-------|-----|----------|-------|------|----------|-------|------|
| | kT | Grade | Koz | kT | Grade | Koz | kT | Grade | Koz |
| Exterra Resources Limited | | | | | | | | | |
| Second Fortune¹ | - | - | - | 339.0 | 6.0 | 65.0 | 339.0 | 6.0 | 65.0 |
| Exterra Resources Total | - | - | - | 339.0 | 6.0 | 65.0 | 339.0 | 6.0 | 65.0 |
| Combined Total | - | - | - | 339.0 | 6.0 | 65.0 | 339.0 | 6.0 | 65.0 |

1. Refer to Exterra's ASX Announcement titled Feasibility Study Confirms Robust High Grade Gold Mine and dated 25 May 2017 for further information in relation to the Second Fortune Ore Reserve estimate for the Second Fortune project. Exterra confirms that it is not aware of any new information or data that materially affects the information included in this document in relation to this Ore Reserve estimate and that all material assumptions and technical parameters underpinning these estimates continue to apply and have not materially changed.

TENEMENT SCHEDULE

All claims are 100% held.

| Project Name | Prospect | Location | Mining Claim Name |
|--------------|--------------|----------|--|
| Big Springs | Big Springs | USA | NDEEP-31, NDEEP-32 |
| Big Springs | Big Springs | USA | TT-108 to TT-157, TT-163, TT-164, TT-185, TT-187, TT-189 to TT-204, TT-220 to TT-267, TT-327 to TT-344 |
| Big Springs | Dorsey Creek | USA | NDEEP-18, NDEEP-19, NDEEP-35, NDEEP-36, NDEEP-52, NDEEP-53 |
| Big Springs | Dorsey Creek | USA | TT-158 to TT-162, TT-169 to TT-184, TT-186, TT-188, TT-275 to TT-277, TT-290, TT-291, TT-297 to TT-301, TT-305 to TT-311 |
| Big Springs | Golden Dome | USA | DOME-1 to DOME-51 |
| Big Springs | Golden Dome | USA | GD-52 to GD-61, GD-63, GD-67 to GD-76, GD-79 to GD-90, GD-92 to GD-136, GD-139 to GD-154, GD-157, GD-164 to GD-173, GD-176, GD-181, GD-182, GD-185, GD-186, GD-189, GD-190, GD-193, GD-194, GD-197 to GD-199, GD-201, GD-203, GD-205, GD-207, GD-209, GD-211, GD-213, GD-215, GD-217, GD-219, GD-221, GD-223, GD-225, GD-265 to GD-286, GD-297 to GD-318, GD-381 to GD-428 |
| Big Springs | Golden Dome | USA | MP-14, MP-16, MP-18, MP-41, MP-43, MP-45, MP-47, MP-49 to MP-54 |
| Big Springs | Golden Dome | USA | NDEEP-1 to NDEEP-16, NDEEP-44 to NDEEP-90 |
| Big Springs | Jack Creek | USA | JAK-14, JAK-16, JAK-18, JAK-20 to JAK-38, JAK-99 to JAK-116, JAK-170, JAK-172, JAK-174, JAK-176, JAK-178 to JAK-186 |
| Big Springs | Mac Ridge | USA | BS-500 to BS-550, BS-557 to BS-579 |
| Big Springs | Mac Ridge | USA | MR-500 to MR-524, MR-526, MR-528, MR-530 to MR-537 |
| Big Springs | Mac Ridge | USA | NDEEP-33, NDEEP-34 |
| Big Springs | Mac Ridge | USA | TT-205 to TT-219 |

Private lands, which include all minerals, subject to a 2% NSR royalty to Ellison Minerals, Inc. Per below:

Township 42 North, Range 54 East (148.552 Hectares):

Section 7 - Lot 4 (SW $\frac{1}{4}$ SW $\frac{1}{4}$); SE $\frac{1}{4}$ SW $\frac{1}{4}$; NE $\frac{1}{4}$ SE $\frac{1}{4}$

Section 8 - N $\frac{1}{2}$ SW $\frac{1}{4}$

Section 31 - Lot 2 (SW $\frac{1}{4}$ NW $\frac{1}{4}$); Lot 4 (SW $\frac{1}{4}$ SW $\frac{1}{4}$); NE $\frac{1}{4}$ SW $\frac{1}{4}$; SW $\frac{1}{4}$ SE $\frac{1}{4}$

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Name of entity

Anova Metals Limited

ABN

20 147 678 779

Quarter ended ("current quarter")

30 JUN 2017

| | Current quarter \$'000 | Year to date (12 months) \$'000 |
|---|---------------------------|---------------------------------------|
| Consolidated statement of cash flows | | |
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | - | - |
| 1.2 Payments for: | | |
| (a) exploration & evaluation | (87) | (2,016) |
| (b) development | - | - |
| (c) production | - | - |
| (d) staff costs | (143) | (692) |
| (e) administration and corporate costs | (70) | (553) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 8 | 44 |
| 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 | (292) | (3,218) |
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire: | | |
| (a) property, plant and equipment | - | (41) |
| (b) tenements (see item 10) | - | - |
| (c) investments | - | - |
| (d) other non-current assets | - | - |
| 2.2 Proceeds from 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 | - | (41) |

| | Current quarter \$'000 | Year to date (12 months) \$'000 |
|---|---------------------------|---------------------------------------|
| 3. Cash flows from financing activities | | |
| 3.1 Proceeds from issues of shares | - | 9,957 |
| 3.2 Proceeds from issue of convertible notes | - | - |
| 3.3 Proceeds from exercise of share options | - | 343 |
| 3.4 Transaction costs related to issues of shares, convertible notes or options | - | (547) |
| 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 | - | 9,753 |
| 4. Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 Cash and cash equivalents at beginning of quarter/year to date | 8,000 | 1,287 |
| 4.2 Net cash from / (used in) operating activities (item 1.9 above) | (292) | (3,218) |
| 4.3 Net cash from / (used in) investing activities (item 2.6 above) | - | (41) |
| 4.4 Net cash from / (used in) financing activities (item 3.10 above) | - | 9,753 |
| 4.5 Effect of movement in exchange rates on cash held | (2) | (72) |
| 4.6 Cash and cash equivalents at end of quarter | 7,709 | 7,709 |

| Reconciliation of cash and cash equivalents | | Current quarter \$'000 | Previous quarter \$'000 |
|--|---|---------------------------|----------------------------|
| 5. | at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | | |
| 5.1 | Bank balances | 3,572 | 3,500 |
| 5.2 | Call deposits | 4,137 | 4,500 |
| 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) | 7,709 | 8,000 |

| 6. Payments to directors of the entity and their associates | | Current quarter \$'000 |
|--|--|---------------------------|
| 6.1 | Aggregate amount of payments to these parties included in item 1.2 | 26 |
| 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 | |
| Payment of director fees | | |

| | | Current quarter \$'000 |
|---|--|---------------------------|
| 7. | Payments to related entities of the entity and their associates | |
| 7.1 | Aggregate amount of payments to these parties included in item 1.2 | 67 |
| 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 | |
| Payment for administration and technical staff and provision of a fully serviced office | | |

Financing facilities available

8. Add notes as necessary for an understanding of the position

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.

| Total facility amount at quarter end \$'000 | Amount drawn at quarter end \$'000 |
|--|--|
| - | - |
| - | - |
| - | - |

9. Estimated cash outflows for next quarter

9.1 Exploration and evaluation

9.2 Development

9.3 Production

9.4 Staff costs

9.5 Administration and corporate costs

9.6 Other (provide details if material)

9.7 Total estimated cash outflows

| \$'000 |
|--------|
| 930 |
| - |
| - |
| 190 |
| 230 |
| 2,000* |
| 3,350 |

* Loan Facility drawdowns by Exterra Resources

10. Changes in tenements (items 2.1(b) and 2.2(b) above)

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

| Tenement reference and location | Nature of interest | Interest at beginning of quarter | Interest at end of quarter |
|---------------------------------------|--------------------------|--|----------------------------------|
| - | - | - | - |
| - | - | - | - |

Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.



Mr Steven Jackson

Company Secretary

Date: 31 July 2017

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.